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NEWS SUMMARY

GENERAL

Vorster boosts defence budget

Owen Horwood, South Finance Minister, yes- announced an increase than 40 per cent. in spending, thus almost defence expenditure in two years.

Budget expenditure rising 32m. (£4,699.2m.), the share at R1,350m. accounts for 17.2 per the total.

sing recent events in and the tension and un- in Rhodesia and Mozam- Mr. Horwood said: "Politi- nts in southern Africa demand that we increase ence effort."

David Ennals, Foreign Minister of State, who is arrive in Tanzania to-day with President Nyerere, day told the Commons Britain was not prepared rvene militarily in Rhode- settlement had to be by negotiation. Back Page 5 and Parliament

Syrian troops 'on Lebanon border'

The Socialist leader, Mr. Jumblatt, whose forces are to enforce the removal sident Franjieh, claimed ay that 17,000 Syrian had concentrated on n's border. Mr. Jumblatt e hoped Syrian forces help the cause of the Left. e pressure on Jumblatt. News from Israel, Page 7

train gang £600,000

d on a Cork-Dublin mail the Irish Republic early y is understood to have about £600,000 for Provi- RA funds—bringing to at m. the total reaped by obberies in recent years. Special Branch officers rmally accompany such were not on duty.

Speed-up plea

Metropolitan Police are higher speed limits for an 150 miles of London Restrictions are little ed and can only be id haphazardly, the police in.

Press awards

on Swain of the Sunday was yesterday named alist of the Year in the h Press Awards organised Mirror Group Newspapers Times Newspapers. Mr. d Watt of the Financial s was commended in the nist of the Year category. 8

Aid for Pitcairn

Army and Royal Marines are help improve access to Pit- , the Pacific island where has hampered communica- with passing ships since gineers from Bligh's Bounty med a community there in 0.

Tribute to Monty

Soviet Union is to be repre- ted by Marshal Rudenko, ation Minister, at to-day's eral of Field Marshal, Vis- nt Montgomery of Alamein. sia has not paid a similar ute since Sir Winston Church- death in 1965.

Bread to go up

tandard leaf is to cost 1p more n Monday, Mrs. Shirley Wil- s, Prices Secretary, confirmed terday. Small loaves will cost ther ½p.

Briefly . . .

Queen and Prince Philip are make a three-day State visit Finland from May 25.

ada is to vaccinate up to 12m. ple next autumn as a protec- against swine influenza.

BUSINESS

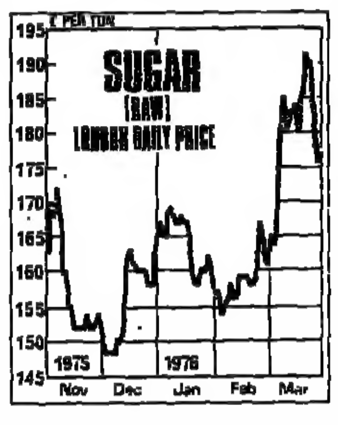
Equities fall 1.8; Wall St. up 7.32

● EQUITIES again fluctuated within narrow limits, closing above the worst. The FT 30-share index fell 1.8 to 402.4. GILTS were uncertain, and the Government Securities index ended 0.17 lower at 62.43. The South African Budget had no apparent effect on S.A. industrials and gold shares. The Gold Mines index rose 2.4 to 100.6.

● WALL STREET reversed its recent trend and closed 7.32 higher at 999.45, helped by a stream of bullish economic news.

● GOLD gained $½ to $129½.

● STERLING steadied. Its trade-weighted depreciation was unchanged at 34.1 per cent. and the rate to the dollar was unaltered at $1.9160. Dollar's fall remained at 2.17 per cent.



● RAW SUGAR price in London continued its recent fall from a mid-March peak. March-April shipment price was down £2 at £176 a ton c.i.f. Page 35

U.K. gains more offshore business

● BRITISH INDUSTRY significantly improved its share of the U.K. offshore oil and gas industry market last year, according to Government estimates. Page 9

● OCCIDENTAL has been given permission by Orkney to build a £39m. extension to its Flotta oil terminal. Page 9

● ELF-ERAP, the French State petroleum group, has made a bid for the control of Antar Petroles de l'Atlantique.

● GOVERNMENT SUBSIDY to the electricity industry next year will be only £31m.—a cut of 90 per cent. British Gas will receive £7.1m. (£23.8m.) and the Coal Board £29.7m. (£74.9m.). Page 12

LABOUR

● TEESSIDE inter-union construction site dispute, which led to the sacking of 130 workers, has spread. Nearly 6,000 workers are now on strike in the industry in two areas. Page 13

● STRIKES in February in the U.K. cost 232,000 working days—considerably lower than the January figure of 332,000. Page 13

COMPANIES

● HOUSE OF FRASER pre-tax profits have risen to £20.81m (£19.59m.) on turnover of £396.66m. (£320.68m.) including VAT of £30.13m. (£24.06m.). Page 23 and Lex.

● LEGAL AND GENERAL Assurance net profits showed only a marginal advance to £9.7m. (£9.4m.). Investment income improved to £9.6m. (£7.4m.) but underwriting losses doubled to £4.6m. Page 25 and Lex

● TARMAC is to pay £5m. cash for Holland, Hannen & Cubitts to form a £500m. construction materials and service group. Back Page

● COMBINED ENGLISH STORES reports a record pre-tax profit of £4.35m. (£3.51m.). Cash on call or short-term deposit at the year-end amounted to £5.01m. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

iddle Hldgs.	75	+ 7
Clifford (C.)	98	+ 5
De La Rue "New"	43*	+ 4
Development Secs.	267	+ 7
McBride (R.)	148	+ 6
urdar	44	+ 3
oof	460	+ 20
esident Steyn	860	+ 50

FALLS

easury 3pc 1977	£93⅛	− 1
h and Lacy	108	− 7
rclays Bank	280	− 5
risford (S. and W.)	159	− 4
dport-Gundry	27	− 3
rs	108	− 5
dner (L.)	83	− 3
thorn Leslie	36	− 3
's Wharf	66	− 3
Imry Property	125	− 7
Land Secs.	168	− 4
Legal and General	137	− 6
Lonrho	94	− 6
Lyons (J.) "A"	120	− 7
MEPC	67	− 4
Malit Secs.	15½	− 3½
Nat. Westminster	228	− 7
Pearl Assurance	236	− 6
Prop. Hldg. and Inv.	213	− 9
Reardon Smith "A"	71	− 4
Reckitt and Colman	324	− 7
Spear and Jackson	93	− 4
Unilever	446	− 4
United Real Prop.	173	− 9
Weyburn Eng.	645	− 30
White Child & Beney	50	− 4
Broken Hill South	158	− 7
EZ Inds.	340	− 15
MIM Hldgs.	242	− 8
Pancontinental	£10½	− 1
Peko-Wallsend	520	− 20
Poseidon	150	− 10

* Premium

Production of 10 car models halted ● 17,000 workers idle through group

Leyland disrupted as strikers defy union call to return

BY ROY ROGERS, LABOUR CORRESPONDENT

Only six of British Leyland's 16 car models were being produced yesterday as the effects of four continuing disputes bit deeper, halting Mini and Marina output and taking the total of workers idle to about 17,000.

The situation may deteriorate further—last night a fresh dispute broke out among toolmakers at the Drews Lane suspension plant in Birmingham. Earlier 32 strikers at the key SU carburettor's subsidiary in the city voted yesterday to defy their union's instruction to return to work. The lack of carburettors caused by their three-week-old pay strike threatens to bring the rest of Leyland's car and petrol-driven van production to a standstill, once stocks are exhausted.

Hopes of early settlement of two other damaging strikes involving toolmakers at Triumph, Coventry, and press operators at the Llanelli body pressing plant, hinge on mass meetings to-day. There are indications, however, that the Triumph toolmakers, encouraged by their Amalgamated Union of Engineering Workers district committee, may follow the lead of their counterparts at SU and defy the union executive.

On Tuesday the AUEW national executive decided unanimously to instruct toolmakers at SU and Triumph to end their pay strikes because they were in breach of the union's declared support for the Government's counter-inflation pay policy.

Yesterday the 32 SU men voted overwhelmingly to remain out and ask the AUEW executive to reconsider its return-to-work instruction. The union's Coventry District committee is now urging the Triumph strikers to adopt a similar attitude when they meet to-day.

It is unlikely that the AUEW executive will meet again before its normal weekly meeting next Tuesday, by which time lay-offs and production losses already totalling some £20m. in retail terms, will be even higher. It is equally unlikely that Mr. Bob Wright, the executive member responsible for the Midlands area, will be available to put more pressure on the strikers to fall into line as he is due to begin a foreign holiday to-day.

This time lag will be particularly damaging when Leyland is desperately attempting to get back to full production to meet the increased demands for its cars.

Leyland's dilemma led to heated scenes in the Commons last night when Mr. Michael Heseltine Opposition Industry spokesman, described the situation as "making a mockery of the Government's whole industrial strategy, the National Enterprise Board, the position of the unions who gave assurances about a new spirit of co-operation, and the authority of the Government itself."

He unsuccessfully called upon Mr. Eric Varley, the Industry Secretary, to state when the next injection of taxpayers' money would be needed for the State-financed company and what levels of productivity had to be achieved if the money was forthcoming.

Leyland's production programme suffered a severe setback yesterday when the sporadic dispute involving 650 press operators at the Llanelli body pressing plant hit production of the Mini at Longbridge, Birmingham where 2,500 men were made idle, and of Marina assembly at Cowley, Oxford, where 4,500 were laid off and production of Maxi and Princess bodies was also hit.

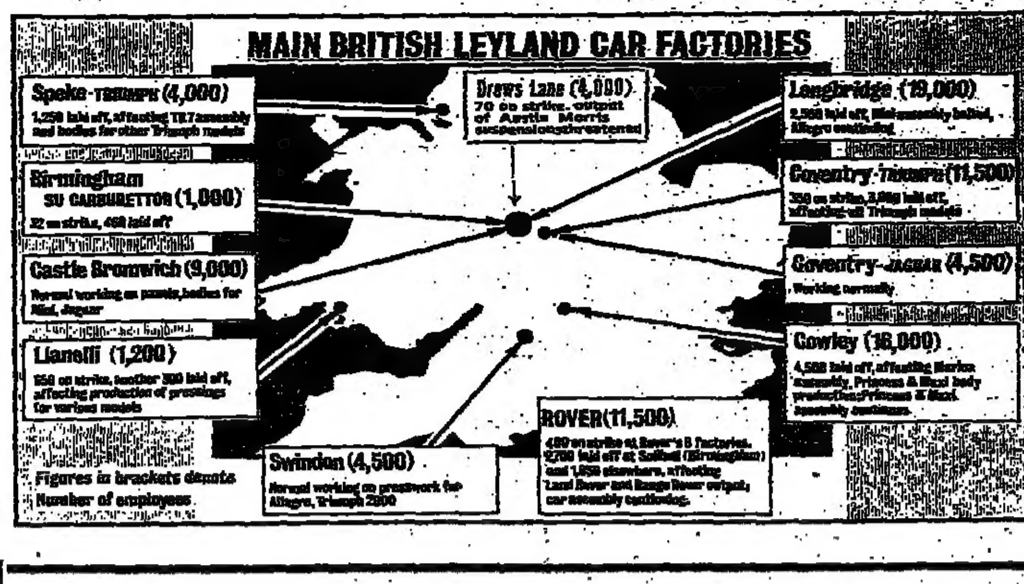
The dispute, which began initially last Wednesday, centres on the interpretation of procedures for upgrading men from press operators (a Transport and General Workers' Union area) to press mechanics, an area dominated by the AUEW.

The Llanelli strikers, all members of the TGWU, meet to-day to review progress made in negotiations over the past few days for a return to work formula. If they remain out then Allegros produced at Longbridge. Maxis

Continued on Back Page

Boycott lifted

The Arab Boycott of Israel Office has taken Leyland off its blacklist. The move is seen as a victory for the Egyptian lobby in the boycott office. Back Page



New tax scrutiny of multinational pricing

BY MICHAEL LAFFERTY, CITY STAFF

A NEW drive, involving the build-up of an important group of specialist staff, has been mounted by the Inland Revenue to investigate the pricing policies of multinational trading companies.

The move, which follows the conferment of increased investigatory powers on the Revenue in last year's Finance Act, has concentrated on the British operations of overseas controlled multinationals.

Pharmaceutical and oil companies are prominent among those which have come under the new scrutiny.

Multinationals with world-wide interests are able, through the broad spread of their business, to exercise a wide degree of influence over the prices paid by their subsidiaries for imported materials and components, and hence, over their profits.

Tax authorities inevitably pay considerable attention to whether the prices charged in subsidiaries' accounts are fair or are pitched at a level which artificially depresses profits in the country in question.

It is believed that a special unit comprising about 20 senior officials and staff is now in operation at the Inland Revenue's London headquarters to monitor matters of this kind.

Leading international companies have become increasingly familiar with its activities over recent months.

A spokesman for IBM, the U.S.-based computer group, confirmed last night that the company's U.K. subsidiary "has been having discussions with the Inland Revenue department regarding inter-company pricing practices.

"We are confident that the Inland Revenue will find these practices are fair and reflect the highest standard of business conduct applied by the company for all aspects of its operations," he added.

The pharmaceutical companies' pricing policies have been the subject of considerable public interest since the publication of the Monopolies Commission report in April 1973 on the prices charged by Hoffmann-La Roche on the tranquillisers Valium and Librium.

The Commission found that the prices charged by Hoffmann-La Roche's subsidiary, Roche Products, in the U.K. had produced "excessive profits on a very large scale" and recommended cuts in the selling prices of the drugs.

This led to lengthy litigation between the Government and the company, which ended in November, 1975, with an agreement on new price levels.

The Inland Revenue has had power since 1951 to assess the profits of the U.K. subsidiaries of foreign companies on the basis of "arms length" prices, but the rule is thought to have been applied fairly leniently up to a few years ago.

However, in recent years a number of overseas tax authorities, including those of the U.S. and Germany, are understood to have been taking a much tougher line with foreign-controlled companies operating in their territories.

Accordingly, the new Inland Revenue initiative is seen by some tax experts as a reaction to the treatment which U.K.-based multinationals have been receiving in other countries.

Shipbuilding nations in plan to meet crisis

BY RUPERT CORNWELL PARIS, March 31.

THE MAJOR shipbuilding nations have worked out guidelines for action to tackle the critical global situation of the industry, including agreement on a reduction in capacity.

Speaking after a two-day meeting of the OECD's working party on the industry its chairman, Swiss Ambassador Mr. Albert Gruebel, would not be drawn on whether specific percentage cuts had been discussed.

But he emphasised that the principle was accepted by officials from the 15 nations involved, including Japan which alone, is responsible for some 50 per cent. of production and an even greater slice of overall capacity.

Each government, Mr. Gruebel said, would play an "appropriate part," while taking into account its own regional and social problems. This, of course, is a key consideration for Britain, where the depressed shipbuilding sector is concentrated in areas already suffering from particularly high unemployment.

The "code of conduct" drawn up here also confirms that member governments will stand by existing agreements on unfair competition.

The chairman of the meeting, at which were represented Japan, most of the EEC countries, Spain and the U.S., carefully avoided committing himself on the thorny issue of price-cutting.

The participants have also agreed to keep each other informed on their national policies. A sub-group will meet for the first time in May to monitor the volume of new orders won in every country.

For all the vagueness in which the guidelines have been couched, almost every delegation was pleased at the first steps taken for a common policy on what Mr. Gruebel described as one of the most serious industrial problems facing many Western countries.

On the tanker side alone, an estimated one-third of total tonnage is laid up for lack of business. Shipbuilding capacity is estimated at twice as much as demand and has increased by 50 per cent. since 1971. The imbalance is expected to continue.

The effectiveness of what has been decided in such secrecy here this week will only become apparent in line with developments in the shipping market and the action which various governments decide.

In any case, Mr. Gruebel warned that the adjustment to meet the changed circumstances would be lengthy and difficult. He pledged the adherence of member countries to liberalising measures already in effect, including the understanding on export credits for ships worked out within the OECD.

Tanker owners warned Page 8

Tight rules set for export of nuclear technology

BY DAVID FISHLOCK, SCIENCE EDITOR

STRINGENT new conditions under which nuclear technology can be exported by Britain were explained to Parliament yesterday by Mr. James Callaghan, Foreign Secretary.

The Government will in future require three assurances which have not entered into previous agreements. This is the outcome of four secret meetings in London last year of a group of seven nuclear exporting nations: the U.K., U.S., USSR, France, West Germany, Canada and Japan.

These assurances are:

● That nuclear exports will not be used to make nuclear explosives, peaceful or otherwise;

● That exports will be adequately protected against the possibility of theft or sabotage; and

● that any re-exporting of U.K. technology will require the same assurances on safeguards, use and physical protection.

It is understood that Britain will require further assurances over the possibility of customers building independent nuclear plants once they have learned enough of the technology. These so-called replicated plants will be covered for a period of 20 years by a customer's original safeguards and assurances.

The new terms will not affect Britain's main nuclear export contracts, now being negotiated, for reprocessing and enrichment. These contracts—including the £300m.-£500m. reprocessing contract Britain and France are negotiating with Japan—do not involve transfer of nuclear technology.

The Government has been assured by the International Atomic Energy Agency that, in returning to Japan—which has not yet ratified the Non-Proliferation Treaty—the plutonium recovered from reprocessed fuel, it will not be infringing the NPT.

Bonn and Moscow scrap N-project Page 6

Britain is conducting no negotiations at present involving the transfer of any of the three so-called sensitive technologies, namely, those which could lead to construction of uranium enrichment, spent-fuel reprocessing or heavy water refining plants.

The new conditions were given by Mr. Callaghan in answer to a question from Mr. Ray Carter (Birmingham, Northfield) requesting a statement on policy on exports of nuclear equipment, material or technology.

Mr. Callaghan said the Government would study with care any proposals for export of sensitive technologies.

"In general we shall exercise restraint in the export of such plants or their technology."

He added that Britain was contributing to an IAEA study of the feasibility of regional fuel centres incorporating these three processes, a concept being promoted by the U.S. Government, but regarded with some scepticism on political grounds by the other six nuclear exporters.

Mr. Callaghan stressed yesterday that he was speaking only for the U.K. But all seven member-nations of the nuclear suppliers' group have agreed on the same assurances and have already made them public or are about to do so.

Another three nations—the Netherlands, Sweden and East Germany—have joined the group, while Belgium, Italy and Czechoslovakia are expected to do so. The group will continue to meet, although the next meeting is not expected before the summer.

New rules for the nuclear club Page 7

£ in New York

—	March 30	Previous
Spot	$1.9160-9170	$1.9175-9185
1 month	0.51-0.50 dis	0.60-0.75 dis
3 months	2.22-2.14 dis	2.25-2.20 dis
12 months	7.15-7.20 dis	7.45-7.30 dis

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

B..king for cut-price petrol to continue

BY RAY DAFTER, ENERGY CORRESPONDENT

MAJOR oil companies are expected to support cut-price petrol for several more months.

The majors, including BP, Shell and Esso, are due to review discount policies later this month. By then, they will have provided an estimated £10m. to £12m. of financial support to distributors, either in the form of direct subsidies or guaranteed profitability.

But with refineries still operating 40 per cent. below capacity and with the petrol retail market still in the doldrums, it seems unlikely that they will lift the subsidies. It is felt within the industry that such action could only be taken if all the companies returned to a full pricing policy at the same time. This looks unlikely.

Small independent companies, many of which are supplied with oil from the Rotterdam spot market, show no sign of relieving the competitive pressure. Consequently, dealers selling major brand petrol are continuing to offer discounts in an effort to retain market shares.

Figures just released by the Institute of Petroleum show that efforts of motorists to curb expenditure and the negligible growth in the number of cars on the road, resulted in a drop of 2.2 per cent. in petrol deliveries last year. The trend, which follows a fall in 1974, is continuing.

As a result of supporting their dealers through some form of subsidisation, major oil companies claim that their petrol operations are only just breaking even on a return on capital basis.

Now, U.K. companies are becoming concerned at the amount of comparatively cheap Russian oil products reaching the Rotterdam spot market.

Some of this Russian oil is reaching the U.K. market, although there has been a greater penetration in Ireland, it is claimed.

Another problem worrying the U.K. oil industry is the uncertainty about the Government's refinery policy. In particular, it is concerned that the Government is insisting on up to two-thirds of North Sea oil being refined in the U.K.

Oil companies maintain that, as much of Britain's energy requirements are based on heavier crude than that produced in the North Sea, they should be encouraged to export a higher amount of the valuable lighter North Sea oil and import the cheaper heavier crude from the Middle East.

They also question the intention of the British National Oil Corporation, which has said it intends to venture further downstream, although it has declined to give details.

It is known, however, that BNOC has been having discussions with a number of refinery operators, including the backers of the proposed North Sea oil refinery at Nigg in Scotland.

It is anticipated by some in the industry that U.K. oil refining capacity will remain in surplus until 1985 and it is feared that any expansion of refining output will aggravate the situation.

Coats Patons changes rationalisation plan

BY RHYS DAVID, TEXTILES CORRESPONDENT

COATS PATONS, one of Britain's big four textile groups, is to make substantial changes in the rationalisation plan announced in October last year for its knitting yarn and knitwear operations in North East of England and Scotland.

The main change involves delaying finding alternative operations for the company's main factory in Alloa in Scotland where some 500 jobs have been lost as a result of the transfer to the Midlands of the bulk of knitwear activities of Donaldson Bros.

The company had been intending under the first rationalisation plan to move to Alloa the hand knitting yarn operations currently undertaken by Patons and Baldwins at Darlington as part of an overall re-organisation in the North East which would have resulted in the loss of some 750 jobs.

Under this plan it was proposed to make Darlington, one of the biggest Coats Patons units, the main centre for the production of yarns for use industrially by the knitwear industry, located mainly in the Midlands. The removal of the hand-knitting operations to Scotland would have meant the loss of about 550 jobs out of the total at Darlington of some 1,550.

As part of the plan to concentrate industrial knitting yarns at Darlington, associated winding operations were to be moved to the site from Billingham, where a unit was to be closed down with the loss of some 200 jobs.

Under the new plan the same number of jobs will still be lost at Darlington but it will now become the centre for hand-knitting yarn production and the location for warehousing facilities which were due to be built in Bradford. Industrial yarn facilities will now be transferred to Billingham which will retain winding operations.

A spokesman for the company said yesterday that the change in the reorganisation plan put forward last autumn had been decided upon because of the continued weakness in the industrial yarn market.

SALEROOM — BY ANTONY THORNCROFT

£30,000 for Lucan silver

A set of four George II table candlesticks from the family silver of Lord Lucan comes under the hammer at Christie's where they fetched £2,100.

THE LONDON salerooms came alive with excitement yesterday. Pride of place goes to Christie's, which held a silver sale totalling an impressive £302,890. Perhaps most popular interest was centred on the Lucan family silver, which fetched £30,865, about £10,000 more than expected.

The highest price for the Lucan items was the £5,500 from the London dealer, Freeman, for a three-foot high candelabrum, carrying the Death Or Glory emblem of the 17th Lancers, and presented in 1837 by his regiment to George Bingham, who became the third Lord Lucan of Crimea fame. It was expected to make between £3,000-£4,000.

Lord Lucan, who disappeared in November, 1974, left liabilities of £55,000, with the Ladbroke Group the main creditor. The thirty-three lots sold yesterday were sent by the Lucan trustees. Other high prices were £3,500 for a pair of silver brazier bowls, bought by Hancocks, and £3,100 from the Hilton Jewellers for four George III silver wine coasters.

The most important collection disposed of yesterday belonged to Sir Richard Sutton and brought in £183,035. The highest price was the £31,000 from the Hilton Jewellers for a Regency dinner service by Philip Rundell. It had been estimated at only £15,000-£18,000.

Other good prices were the £16,000 from Partridge Fine Art for a George II soup tureen by John Edwards (which was sold at Christie's in 1969, at the height of the silver boom, for £15,500), and £15,000 for a 12-light candelabrum by Paul Storr. A George IV dessert service fetched £13,500 to S. J. Phillips and a pair of George IV soup tureens and covers went to Koopman for £8,000.

Christie's saleroom at South Kensington also had something to crow about—a house record total for any auction of £53,230. It happened at a picture sale, with a top price of £1,300 for a portrait of two children by G. van Honthorst, and the same for a woody landscape with peasants, attributed to Michau.

A much more important sale of English paintings took place at Sotheby's, which realised £166,880. It was 80 per cent. sold, with most of the pictures bought in coming from one collector who placed high reserves.

Perhaps of more interest was the £2,700 for an aerial view of Yester House in Scotland by James de Witt, painted around 1685. It was acquired by Leggatt for the Scottish National Portrait Gallery and the National Museum of Antiquities, Edinburgh. Another sale of public concern was the £800 for a portrait of Charles Dilke, a friend of Keats, which was bought by the Fine Arts Society for the Borough of Camden.

The Sotheby's coin sale totalled £67,292.

RACING — BY DOMINIC WIGAN

Major Role will take lead

MAJOR ROLE, who has shown much improved form, seems poised to land his most important race to date, the £10,000 Littlewoods Spring Cup, at Aintree this afternoon.

Brian Swift's well-made son of Major Portion probably produced his best performance last year on his final outing when defeating Ribellaro by one and a-half lengths, in the Vernons Organisation Stakes at Haydock.

Always going well in that event *Major Role* quickly settled matters approaching the final furlong.

A tough, well-made six-year-old, who has thrived over the winter and created a highly favourable impression in recent homework, Major Role is taken to win at the main expense of Daily Express Triumph Hurdle winner Peterhof and Acquaint, to whom he finished runner-up at Ascot in October.

I shall be disappointed if *Blue Brigand*, representing the Peter Walwyn-Pat Eddery team, cannot make a winning reappearance in the one-mile Arena Sports Advertising Stakes.

AINTREE
2.00—Gay Alice
2.30—Creme Brule*
3.05—Major Role**
3.40—Blue Brigand***
4.15—Rathvilly
4.45—Zip Fastener

TEESSIDE
1.45—Messenger Boy
2.15—Fleur Ami
2.45—Handycuff
3.15—Aberklair
3.45—Broken Cast
4.15—Lucky Prize
4.45—Damnation

STRATFORD
3.40—Blackthorn Winter
4.10—Clifton Fair

This handsome Majority Blue colt showed smart juvenile form last season when winning at Sandown and going down by only one-and-a-half lengths to Spade Guinea in York's highly competitive Convivial Stakes.

He should prove too fast for Findon representative Kafue Park, whom he meets on level terms. The remaining eight in the race seem likely to be outclassed.

Richard Head, the Upper Lambourn trainer, has done particularly well with the few runners he has sent to Aintree since he began training a few years ago and I am hopeful that *Rathvilly* will add to his score here by taking the valuable Topham Trophy.

John Francome's mount has been improving steadily in recent weeks, and with only 10st. 10lb., he is likely to get the better of The Pilgarlie, from whom he receives 6lb.

In the other jumping event on the programme, the Greenall Whitley Foxhunters' Chase, in which Miss C. Brew, riding Ben Ruler, will be the first lady rider to tackle the Aintree fences, *Creme Brule* is the selection.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM (01-836 3161) ENGLISH NATIONAL OPERA Tonight 7.30 King Roger. Tomor. and Tue. 7.30 Tosca. Sat. 7 and Wed. 6.30 Don Carlos.

COLLEGIATE THEATRE, Gordon St., WC1. LONDON OPERA CENTRE present a double bill of Les Malheurs d'Orphée—Milhaud. A Dinner Engagement—Berkeley. April 7, 8, 9 & 10 at 7.30. Box Office 790 4468.

COVENT GARDEN 240 1066 THE ROYAL OPERA Tonight (Prom) 7.30 Fidelio; Mon. (Prom) 6.30 Die Frau ohne Schatten; Tue. 7 Carmen. Seats avail. Tue. THE ROYAL BALLET Tomor. (Prom) 7.30 The Dream, Apollo, The Concert; Sat. (Prom) and Wed. 7.30 Serenade, Afternoon of a Faun, Twilight, Elite Syncopations. 65 Amphi seats for all perfs. on sale from 10 a.m. on day of performance.

COVENT GARDEN PROMS In assoc. with Midland Bank. THE ROYAL OPERA. Tonight 7.30 Fidelio. 700 STALLS PROMENADE PLACES at 50p avail. from 1 hour before curtain up.

SADLER'S WELLS TH., Rosebery Ave. EC1 837 1672 (Recorded bkg. inf. 278 5450) Until April 10. THE SCOTTISH BALLET. Evs. 7.30. Mats. Sats. 2.30. Tonight and tomorrow: Paquita, La Fête Étrange, Pas de Quatre. Three dances to Japanese Music. Sat: Mary Queen of Scots. Monday and Tuesday: Quadruple bill.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. VIRGINIA McKENNA JOSS ACKLAND A LITTLE NIGHT MUSIC BEST MUSICAL OF 1975 Awards. LAST 3 DAYS must end Saturday.

ALBERY. 836 3878. Prevs. from Tues. at 8.15. Opens April 20 at 7. National Theatre Production COLIN BLAKELY in EQUUS by PETER SHAFFER Directed by JOHN DEXTER "Electrifying throughout." Fin. Times.

ALDWYCH. 836 6404. Inf. 836 5332. Royal Shakespeare Company Evgs. 7.30. Mats. Wed., Sat. 2.0. THE MERRY WIVES OF WINDSOR LIMITED SEASON—BOOK NOW!

AMBASSADORS 836 1171. Evgs. 8.0. Matinee Tues. 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG THE WONDERFUL HIT MUSICAL "Delightful. Don't miss it." Daily Exp.

APOLLO THEATRE. 01-437 2663. Evenings 8.30. Sat. 5.30 and 8.30. BARRY HUMPHRIES in HOUSEWIFE—SUPERSTAR!!

BROADWAY THEATRE, Maida Vale 328 34.90. Rdcd. pr. Prevws. from Apl. 19 at 8.30. Opens Apl. 26 BIZARRE ROCK REVUE DIRECT FROM HOLLYWOOD CYCLE SLUTS

CAMBRIDGE 836 6056. Evenings 8.0, Wed and Sat at 5.00 and 8.15. LONDON'S FOREMOST FAMILY MUSICAL THE BLACK MIKADO "Best Musical 76 & probably '77." S.Tms

COMEDY THEATRE. 01-930 2578. Evenings 8.0. Saturday 5.0 and 8.30. ADAM FAITH in CITY SUGAR by Stephen Poliakoff "Brilliant . . . amusing and exciting." FT "VERY, VERY FUNNY." S. Telegraph. EVENING STANDARD AWARD WINNER

CRITERION. 930 3216. Evenings at 8. Sats. 5.00 and 8.00. Mat. Thurs. 3.00. ANTON RODGERS PETER VAUGHAN and NICOLA PAGETT in GASLIGHT "A CLASSIC AMONG STAGE THRILLERS." Daily Mirror.

DRURY LANE. 01-836 8108. Evgs. 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY A NEW MUSICAL "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.0 OH! CALCUTTA! NOW IN ITS 6th YEAR "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 836 5122. Evgs. 8. Fri. and Sat. 5.30 and 8.30. Last 2 wks. LESLIE PHILLIPS ROY KINNEAR "Two of the funniest men of the British Stage. Laughs come thick and fast." ROGER'S LAST STAND OVER 150 PERFORMANCES

DUKE OF YORK'S. 01-836 5122. Red. price prev. April 13. Opens April 14 ELIZABETH SEAL SHEILA STEAFEL in the musical SALAD DAYS

GARRICK. 01-836 4601. Evgs. 8.15. Matinee Wed. 3.00. Sat. 6.00 and 8.40. RICHARD BRIERS. "Marvellous." Gdn. ABSENT FRIENDS "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson, S. Times.

GLOBE. 437 1592. Evenings 8.00. Matinee Wed. 3.00 Sat. 5.00 and 8.15. TONY BRITTON PETER BLYTHE JILL MELFORD THE CHAIRMAN A Comedy by PHILIP MACKIE "Most enjoyable; a real delight." D. Tel. "Wickedly revealing comedy." E. News.

GREENWICH THEATRE. 01-858 7755. Evenings 8.0. Mat. Sat. 2.30. Bernard Bresslaw. Andrew Sachs in RELUCTANT HEROES

GREENWOOD LONDON BRIDGE. Until May 22. Evgs. 8.00. Mat. Sat. 4.30. Festival Du Théâtre Français Until April 3. ARRABAL. "A SUPERB PRODUCTION." Gdn. "TRIUMPH OF POETRY." Times. Simultaneous translation. 403 0592.

GREENWOOD, LONDON BRIDGE. April 5 for 1 week only. Evgs. 8.0. Sat. 5.0 and 9.0. Mat. Wed. 2.30. New Rock Musical THE DREAM JUGGLER. 403 0592.

HAYMARKET. 930 9832. Evenings 8.0. Mat. Wed. 2.30. Sat. 5.0 and 8.15. Edward Woodward. Geraldine McEwan. Jennie Linden. Edward Hardwicke in Frederick Lonsdale's ON APPROVAL "You should rush to see it." Daily Tel. "It got my approval." Ev. News. "An evening of comic delight." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.00. Mats. Wed. 2.30. Sat. 5.30 and 8.30. The New Hit African Musical IPI TOMBI "PULSATING MUSICAL." Ev. News. "The stage ..." Sun. Times.

KING'S ROAD THEATRE. 352 7488. Mon. to Thur. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR ...

LYRIC IN REPERTORY. 437 3686. Tnt. Thur. Mon. Tues. Wed. 8.0. Sat. 5.0 & 8.30. Mat. Wed. 3.0. JOAN PLOWRIGHT, HELEN MIRREN JOHN MOFFATT, FRANK GRIMES THE BED BEFORE YESTERDAY Thur April 8 to Wed. April 14 THE SEA GULL (Must end April 28th)

LYTTELTON (new National Theatre) 928 2252. Tonight at 7: HAMLET Note early start Uncut text, runs 4 hours Tomorrow 7.45, Sat. 2.30 and 7.45: WATCH IT COME DOWN OVER 100 EXCELLENT £? SEATS ON SALE DAY OF PERFORMANCE ONLY FROM 8.30 a.m.

MAYFAIR. 629 3036-493 2031 Mon.-Th. 8.15. Fri. Sat. 5.45 and 8.30. James BOLAM, Jane ASHER, Stephen MOORE in Christopher HAMPTON'S TREATS "SENSATIONAL." Sunday Times. "VERY FUNNY." Observer. Seats from 80p. Dinner-Show £5.50.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Mats. Fri., Sat. 5.15. RICHARD BECKINSALE in "side splittingly funny." (D. Mail.) in FUNNY PECULIAR "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer. Seats from 75p. Dinner-Show £5.95.

NATIONAL THEATRE see under Lyttelton

PALACE. 437 6834. Mon. to Thurs. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PHOENIX THEATRE SEASON 1976. FOR 6 WEEKS ONLY. Evenings 8.00. Mat. Thurs. Sat. 3.00. GLYNIS JOHNS LOUIS JOURDAN "A superb lesson in the art of farce-playing."—Daily Mail. 13 RUE DE L'AMOUR "Bedroom farce at its funniest."—People Book Now! 01-836 8611.

PICCADILLY. 437 4506. Mon. to Fri. 7.45. Sat. 5.15 & 8.30. Mat. Wed. 3. "ABSOLUTELY ENCHANTING MUSICAL" New York Times. VERY GOOD EDDIE "Absolutely first-class musical." Sun. Times. "A treat not to be resisted." Guardian. "Strongly recommended." Fin Times. "A Broadway smash hit, goes right to the top with full marks." D. Mail

PRINCE OF WALES. 01-930 8681. Mon.-Thur. 8.0. Fri. Sat. 5.30, 8.30. "A Great New Musical" D. Mirror MARDI GRAS "Brilliant. Most exciting Musical for a long, long time." S. Times. "At last a British Musical to sing about." S. Mir. "A really swinging Musical." Now.

QUEEN'S. 01-734 1166. Evenings 8.0. Mat. Thurs. 3.0. Sats. 5.30 and 8.30. Winner of all the awards for BEST PLAY OF THE YEAR Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED Directed by Harold PINTER

RAYMOND REVUEBAR THEATRE. 734 1593. (7, 9, 11 p.m. inc. Sunday.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76

REGENT. 323 2707. Evenings 8.30: Fri. and Sat. 7.00 and 9.15 2ND YEAR OF SENSATIONAL STAGE SHOW OF THE '70s LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Until Apl. 17 Mon.-Fri. at 8. Sat. 5 and 8.30: Angela Pleasance in THE JOURNEY

ROYAL COURT. Evenings at 8. Saturdays 5 PARCEL POST by YEMI AJIBADI "BEST BLACK ACTING I HA... ON ANY STAGE." The ... Tickets from ...

ST. MARTIN'S. 836 1443. Eveni... Mats. Tues. at 2.45. Sats. 5.00 AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run 24th...

SAVOY. 836 8888. Evenin... Matinees Wed. at 2.30 and 5... AVRIL ANGERS & DEREK ... in AGATHA CHRISTIE'S MURDER AT THE VICAR...

SHAW THEATRE. 01-38... Fulton Mackay in THE CAR... by Harold Pinter. Prevs. Fri. 7.30—all seats £1. Opens ... 7.0. Subs. Evgs. 7.30.

STRAND. 836 2660. Ev... Mats. Thurs. 3.00. Sats. 5... Doris Hare, McDonald ... Arthur Howard, Barry ... NO SEX PLEASE, WE'R... Directed by Allan D... LONDON'S LONGEST LAUG...

TALK OF THE TOWN. 0... From 8.15. Dining and Dan... New Revue SWEET TE... and at 11 p.m. PETER GORDEN...

THEATRE ROYAL STRAT... 01-534 0310. Eve... FEYDEAU'S HILARIOUS OUT OF PRACTIC...

VAUDEVILLE. 836 9988. E... Mats. Tues. 2.45. Sat. 5... Margaret LOCKWO... Paul DANEMAN and Bar... DOUBLE EDGE "SUPERB. The cleverest ... have seen for years." Dai...

VICTORIA PALACE. Prevs. Mon. Tu. Wed. Op... 7.0. Subs. 8.0. Wed. Sat. ... TERRY SCOT ... A BEDFULL OF FOR... Dinner & best stall £3 inc.

WHITEHALL. 01-93... Evenings 8.0. Saturday 6... PAUL RAYMOND pr... "Britain's No. 1 Sex S... FIONA RICHMOND COME INTO MY B...

WIMBLEDON THEATRE. ACTORS COMPAN... WIDOWERS' HOUS... Mon.-Thur. 7.30. Fri. a... 8.15. Sat. mats. 5. Thurs. ... Next week (Mon. at 7) HOW ... HALF LOVES by Alan Ayckb...

WINDMILL THEATRE. PAUL RAYMOND pr... LET'S GET LAID Twice nightly at 7.00 a... 2ND SENSATIONAL ...

WYNDHAM'S. 836 3028. Ev... Sats. 5.0 and 8.15. Mats. ... JIMMY JEWEL i... COMEDIANS by Trevor Griffiths. "The m... play in London." Sunday ... "Best play in London." N...

YOUNG VIC (by Old Vic). Tdy. 5 & 8.15. CHARLEY'S ...

CINEMAS

ABC 1 & 2, Shaftesbury Ave. Sep. Perfs. All Seats Bookable. 1: THE TALES OF BEATRIX ... (U). Wk. & Sun. 2.00, 5.30, ... 2: BARRY LYNDON (A). Wk. ... 2.25, 7.55.

CASINO. Old Compton St. 4... THE HINDENBERG (A). Perfs. ... Sun.) and 5.15. Separate booka... at 8.0. Late night show Sat. 1...

CURZON, Curzon St. W.1. (499 ... Katharine Hepburn, Paul Sco... Edward Albee's A DELICATE B... (AA) Wk. film at 2.30, 6.00, 8... film at 3.00, 5.45, 8.30.

EMPIRE, Leicester Square. 43... THE SLIPPER AND THE RO... Progs. Daily 2.00, 5.00, 8... Pe... All seats bookable. bookings.

LEICESTER SQUARE THEATRE DAVID BOWIE in Nicolas ... THE MAN WHO FELL TO ... Progs. Wk. and Sun. 2.20, ... Late show Fri. and Sat. 11... seats may be booked.

ODEON HAYMARKET (930 ... Dustin Hoffman "LENNY" (X). Wk. 2.00, 5.15, 8.30. Sun. ... Late show Sat. 11.45. All se... booked.

ODEON LEICESTER SQUARE ... ONE FLEW OVER THE ... NEST (X) Cont. progs. 12.00, 2.40, 5.25, 8.10. Late show Sat. 11.45.

ODEON MARBLE ARCH (72... RACHEL'S MAN (A) Sep ... and Sun. 3.30, 8.15. All se... booked.

CINEMAS ARE CONTIN... PAGE 10

TV/Radio

† Indicates programmes in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 10.05 Monty: A film tribute. 10.45 The Funeral of Field Marshal Viscount Montgomery of Alamein, from St. George's Chapel, Windsor. 12.35 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 3.30 The 60 70 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 It's the Wolf. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Stories Round the World.

5.45 News
6.00 Nationwide
6.45 To-morrow's World
7.10 Top of the Pops
7.40 Happy Ever After
8.10 When the Boat Comes In
9.00 News
9.25 Edgar Wallace—The Man Who Made His Name (documentary biography written and narrated by James Cameron)
10.20 Omnibus
11.10 To-night
11.45 Weather/Regional News

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Ruboda. 5.15-5.45 Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 7.40-8.10 Tu Ol I'r Llenni: Welsh National Opera's 30th Anniversary. 11.45 News for Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.10-11.35 Bonn Comhraidh: Talking point (North and North West Transmitters only). 11.45 News Summary for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands To-day (from Birmingham) Look East (from Norwich), Points West (from Bristol), South To-day (from Southampton), Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University
11.00 Play School
2.15 p.m. Racing from Aintree
5.00 Open University
7.05 Avventura
7.29 Weather
7.30 Newsday
8.35 Mrs. Gandhi's India
9.25 Midweek Cinema: "The Learning Tree"
11.10 Film Night, Dirk Bogarde in conversation with Tony Bilbow
11.35 Newsnight
11.50 Closedown: Stephen Thorne reads "The Nymph's Reply to the Shepherd," by Sir Walter Raleigh

LONDON

9.55 a.m. Western Civilisation. 10.20 Monty. 12.20 p.m. The Music Man. 12.35 Hickory House. 12.50 Cartoons. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Couples. 2.00 Good Afternoon. 2.20 Crown Court. 3.00 Moody and Pegg. 3.55 General Hospital. 4.25 Children's Film Matinee: "Tarzan's Greatest Adventure," starring Gordon Scott.

5.50 News from ITN
6.00 To-day
6.25 Crossroads
7.00 The World at War
8.00 Bless This House
8.30 Clayhanger
9.30 This Week
10.00 News
10.30 Thursday Thriller: "The Night Stalker"

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Return to The Planet of the Apes. 5.20 Castaways. 6.00 About Anglia. 6.20 Arena. 7.00 Cash and Company. 10.30 Now and Then: Whipsnade Story. 11.00 Comedy Four. 11.55 A Reading for Lent.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 The Lone Ranger. 4.50 Time Tunnel. 6.00 ATV To-day. 7.00 The Daily Express Nurse of the Year 1976. 10.30 Columbo. 11.55 Dr. Jane Gray talks about loneliness.

BORDER

9.05 a.m. Men of Iron. †1.20 p.m. Border News. 4.25 Lassie. 4.50 Return to The Planet of the Apes. 5.20 The Rovers. 6.00 Border News and Lookaround. 7.00 Movin' On. 10.30 The Adventurer. 11.00 Journey to the Unknown. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Great Guns." 6.00 Channel News. 6.10 Wildlife Theatre. 7.00 Combat. 10.30 Randall and Hopkirk (Deceased). 11.00 Firehouse. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 4.25 Tarzan. 5.20 The Woody Woodpecker Show. 6.00 Grampian Today. 7.00 The Six Million Dollar Man. 10.30 The Odd Couple. 11.00 Second Profile. 11.30 Evening Prayers.

GRANADA

9.30 a.m. Untamed World. 9.50 The Adventures of Hammy Hamster On The Riverbank. 10.05 A Place to Live. 1.20 p.m. This Is Your Right. 4.25 Survival. 4.50 The Flintstones. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Command performance. 7.00 The Six Million Dollar Man. 10.30 The International Pop Proms. 11.30 Kung Fu.

HTV

9.55 a.m. Men of Iron. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Best in the West. 7.05 Six Million Dollar Man. 10.30 The Day the Train Comes Steaming Back. 11.00 The Late Film: "Crowhaven Farm."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Ble Yn Y Byd ... 4.50-5.20 A Place To Hide. 6.01-6.18 Y Dydd. 6.35-7.05 Sports Arena. 10.30 F QL. 11.30 The Adventurer.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

9.50 a.m. Men of Iron. 11.25 a.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. †7.00 Six Million Dollar Man. 10.30 Drive In. 11.00 Late Call. 11.05 The Collaborators.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Bugs Bunny. 5.25 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 The Six Million Dollar Man. †10.30 The Late Thursday Film, "The Money Trap," starring Glenn Ford, Rita Hayworth and Joseph Cotten. 12.05 a.m. Southern News Extra.

TYNE TEES

10.15 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 University Challenge. 6.00 To-day at Six. 7.00 Hawaii Five-O. 10.30 The Streets of San Francisco. 11.25 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Tarzan. 5.20 Tell Me Why? 6.00 UTV Reports. 7.00 The Magician. 10.30 Spy Extraordinary. 11.00 What's It All About.

WESTWARD

9.55 a.m. Farmhouse Kitchen. 12.45 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. †4.25 Children's Matinee. "Great Guns" starring Stan Laurel and Oliver Hardy. 6.00 Westward Diary. 7.00 Combat. 10.30 Westward Report. 11.00 Firehouse. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.40 Power For Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 University Challenge. 6.00 Calendar. 7.00 Emergency. 10.30 Emmerdale Farm. 11.25 Drive-In.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including the new Top 30 LPs, and at 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Support Your Local. 7.30 David Allan's Country Club (S). 9.02 Both Sides Now (S). 10.02 Sports Desk. 10.05 Folkweave (S). 11.02 Paddy O'Byrne with The Late Show (1,500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

2 Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 8.55 John Clare and Birdsong. 9.00 News. 9.05 This Week's Composer: Rachmaninov (S). 9.45 Wasema String Quartet (S). 10.45 Haydn, Schubert, Beethoven. 11.20 Funeral of Field-Marshal Viscount Montgomery. 12.20 p.m. Bliss: "A Colour Symphony." 1.00 p.m. News. 1.05 Nina Milkina piano recital: Scarlatti, Haydn, Schumann (S). 2.00 "Intermezzo," a comedy with symphonic interludes in two acts by Richard Strauss, Act 1 (S). 3.30 Interval Reading. 3.35 "Intermezzo," Act 2. 4.45 Granados and Caplet, chamber music concert (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: The Wider World. 7.35 BBC Northern Symphony Orchestra, part 1: Mozart, Beethoven (S). 8.10 Was Freud A Scientist? (talk). 8.30 Concert, part 2: Shostakovich (S). 9.22 Reading. 9.40 Poulenc (S). 10.00 Chekhov Women in a Soviet World by Olga Franklin (S). 10.55 One Piano, Four Hands (S). 11.35 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk. 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You have Loved (S). 10.00 News. 10.05 From our own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Mr. and Mrs. Parkinson. 11.50 Sketches by Boz. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). †12.55 Weather, programme news, VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jackie Mann Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 p.m. Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 A Tried and Valiant Soldier (Viscount Montgomery). 8.45 Analysis. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Richard Vaughan with Rush Hour. 9.00 John Toogood with Downtown. 11.03 In Town. 12.03 p.m. David Simmons' Call In including 12.05 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Sound Out. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Rail. 8.30 17 Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

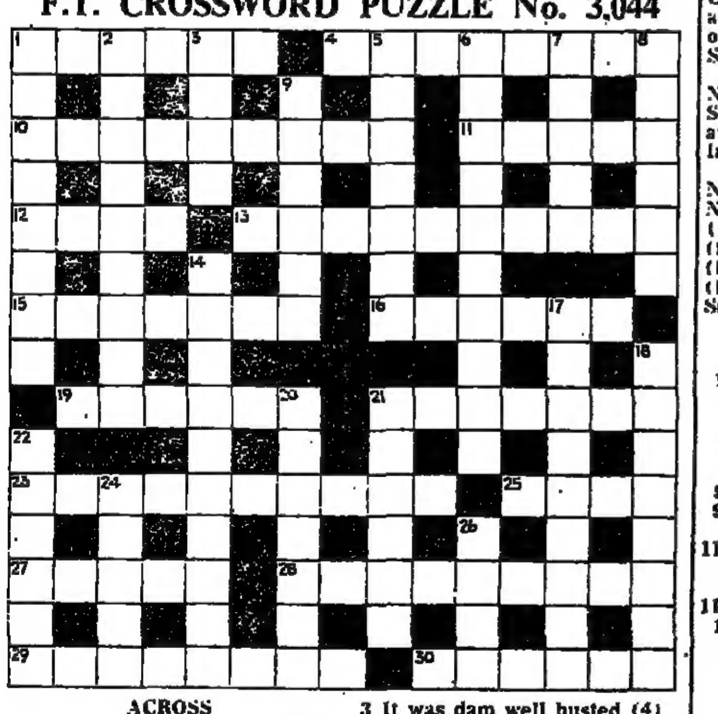
5.00 a.m. Morning Music. 6.00 "AM" breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,044



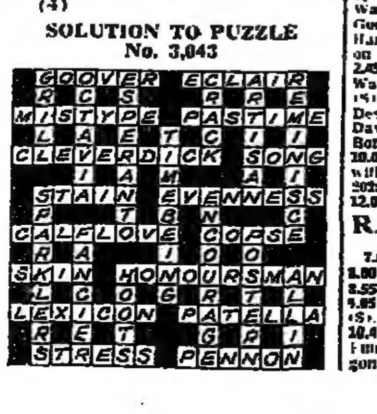
ACROSS

1 Taken by those who annoy you (6)
4 Devilish consignment from the hotel log (2, 2, 4)
10 What the self-seeker looks after in the Senior Service (6, 3)
11 Note an artist appearing in ornamental headdress (5)
12 Where to look for bargains in Cheshire (4)
13 Understood to possess something dilapidated (10)
15 Fashionable or unfashionable—it needs an umpire's decision (2, 2, 3)
16 Award for philosophy in a besieged city (6)
19 This implies a religious approach (6)
21 Dirt about the chief performer—that's hot (7)
23 Protectress takes in tea to start the book (7, 3)
25 "The —— is full of noises" (Tempest) (4)
27 Exclusion for a Cambridge man getting a pair (5)
28 Exile? The Greeks took a pot at it (9)
29 Thanksgiving days are for them (8)
30 There's little room to be defeated in court (6)

DOWN

1 In Jugoslavia, a Scotsman is active (8)
2 Desert ship and find a car in Cornwall (9)
3 It was dam well busted (4)
5 What must be done to share in the effort (4, 3)
6 Free like a mortgage (2, 3, 5)
7 Time to muse (5)
8 Hears of artist's rise in a French town (6)
9 "As chimney-sweepers come ——" (Cymberline) (2, 4)
14 Feeling easier with a majority in the House (4, 2, 4)
17 Principal posts from two parts of the body (9)
18 Supporter has an impression about her (8)
20 Result in a muster (4, 3)
21 Mourner gets round in a moment (6)
22 Score often on the rocks (6)
24 Suggests caution forever in novel form (5)
26 Cloak for a friend about fifty (4)

SOLUTION TO PUZZLE No. 3,043



هكذامن الأهل

Vimbledon

Widowers' Houses

by B. A. YOUNG

Shaw's dramatic Op. 1 stands p well both as drama and arguient. There is a prophetic icundity in the ease with which romantic misunderstanding etween young Dr. Trench and is spoilt girl-friend Blanche irtorius is developed, not only :o a trenchant expose of Lonn slum landlords, but also a ntinuing tale of star-crossed ve. Odd lovers they may be; it the moment in Act Two here Blanche breaks off the igagement because she has misiderstood Trench's motives in fusing her father's money is uly searing.

As for the operations of Sarrius, the profiteer landlord, let one think such things exist longer. Is the name of Rachan so soon forgotten? As for ie swindling property improveents made to extract compensaon from developers, the change om private to public ownership has altered details but not eliminated scandals. Derisory sums in compulsory purchase are not unknown. Even Trench's embarrassment at finding that his own income has an unwelcome origin is not without its parallel; the GLC is even now to support a campaign seeking the withdrawal of a bank's South African investments from exactly similar motives.

However, these are matters to be thought of on the way home. In the theatre the play occupies the attention, and its production by the Actors Company is a very satisfactory one. The first act drags a little at the beginning: Shaw had not quite learned how to avoid dramatic pomposity in his dialogue and some "stagey" sounds come from Gary Raymond as Trench's friend Cokane and Christopher Benjamin as Sartorius, while Simon Cadell as Trench seems barely amorous enough to have attracted the attention of the trumpet-tongued Blanche of Ciaran Madden.

But once in Sartorius's home all goes beautifully. Jonathan Adams makes a telling job of the two sides of Lickcheese, the self-pitying but heartless rent-collector and the crafty property dealer in his sealskin coat. Mr. Benjamin's Sartorius, once on sufficiently intimate terms with Trench, adds a curious sympathy to his previous pomposity; it is a mark of Shaw's genius that he is able to argue immoral arguments so cogently.

There is a touching sketch by Helen Cotterill as the snivelling housemaid, repaying Blanche's endless bullying with an absurd devotion. The three sets by Robin Archer look as if they should travel well on the company's forthcoming visit to Latin America. The production under Philip Grout will do them, and us, credit.

Record Review

English National Opera

by MAX LOPPERT

Vagner The Rhinegold, Bailey, Hammond-Stroud, Belcourt, Pring, Dempsey, Lloyd, Grant, etc./ENO Opera Orch./Goodall, 4 discs in box. EMI SLS 5032. £8.95

Humperdinck Hansel and Gretel, Kern, Neville, Howard, Herincx, Hunter, etc./Sadler's Wells Orch. and Ch./Bernardi. 2 discs in sleeve. HMV Concert Classics SXDW 3023. £3.50

The Rhinegold, latest fruit of the English National Opera Ring in English (it was recorded during four live performances in March last year) is both an unfailing joy to listen to and unfailingly absorbing to follow —virtues by no means always paired in Wagner performances, though they are now recognised as two of the most important twin virtues of the Reginald Goodall *Ring*. *Rhinegold*, most in the tetralogy, requires the perfect understanding of its audience, bringing the rewards of its tight-packed, many-layered, multi-allusive argument to balance the lyrical outbursts reserved for later in the cycle. So for English-speaking listeners, this set places itself in a separate category from the Solti, Karajan, Furtwängler and Böhm recordings (with the added advantage of being musically the equal of any of them).

The particular gains of Wagner in English have been so often listed that further comment should be unnecessary—or further praise of Andrew Porter's translation. Yet again and again the recording makes one sit up and take particular notice, makes one newly aware of the unaffected lucidity and singability of Mr. Porter's English, his scrupulous attention to re-creating, as far as possible, the verbal contours of the original Wagnerian phrase, his concern for "tone." (The rendering of Alberich's gutturally alliterative spell-making into acceptable English, and the discovery of a language, not overladen but always powerful, for the tight inner rhyming of his curse, are felicities previously only half-noted in live performance.)

But then lucidity, of line, tone and balance, is a key feature of the conductor's Wagner style, along with that often celebrated, still inspiriting mastery of long movements that transforms the more obviously schematic *Rhinegold* into an enthrallingly unified operatic experience, one that unfolds with the same inevitability that Mr. Goodall stamps on the later operas. Those slow speeds seem no longer slow; rather, when other *Rhinegolds* are brought in for comparison, they (particularly Solti's) are made to seem sometimes unnaturally fast.

An obvious example is Mime's "Sorglose Schmiede" (here "Once we were carefree"): notably more than "un poco ritenuto," yet undeniably "molto comodo" for Gregory Dempsey, who is given room to expand a clean singing line and also to perfect his pungently vivid enunciation. The "aria" ought to lose character, by contrast with other performances more busily and bitingly cracked along; instead, the listener is reminded that character-building and careful lyrical singing need never be mutually exclusive. Even the stateliness of the Rhinemaidens greeting the gold, which at first encounter appears to sacrifice to even flow and placing of climax too much of their wild, frolicking joy, grows natural and finally inevitable with repeated hearings. No praise could be too high for the ENO orchestra under Mr. Goodall. Easy to notice, "outside" the performance, the non-Vienna or non-Berlin lack of weight to the strings: hard, within the experience, to feel that lack.

The cast boasts all the strengths of an ensemble soaked in Wagner and Goodall. A complementary defect is the inability to measure up, voice by voice, to the best of the other *Rhinegold* recordings. Possibly this is not of crucial importance to the opera; even so, Karajan in particular, with Donath, Moser and Anna Reynolds the most mellifluously seductive trio of mermaids imaginable, with Kelemen an Alberich of vocal as well as dramatic stature, with Veasey the most commanding of modern Frickas and Talvela and Ridderbusch the grandest of modern giants, throws light on comparably less luxurious contributions here, on the failure of some of the performers always to fill out the line with the smooth, solid voicing predicated by the conductor's approach. Derek Hammond-Stroud has sharpened his sense of Alberich's tormented cravings to needle-point—at the cost now of some pantomime-ish verbal over-emphasis, all shouts and snarls, and of sustained legato at the one point ("Auf wonnigen Höh'n") an Alberich cannot dispense with it.

Yet, for a larger view of the opera, the balance swings back towards Goodall. And even in casting it does not all go Karajan's way. Norman Bailey's Wotan, firm, decisive, ringing, stands tall above the finicking, blustering Fischer-Dieskau, whose searchlight on verbal meaning ends up by robbing the God, even one so scheming as the young Wotan, of godliness. In Emile Belcourt's Loge the recording offers a portrayal of remarkable individuality, quite different from others on record in its dapper, fleet mockery and airy humour, in the lightly touched-in precision of diction. The voice, narrow in compass, not beautiful but always interesting, enhances the demiworld impression. There are knocks, coughs, and a few murmured laughs during Alberich's transformations that (for me at least) only add to the atmosphere of a most desirable set.

By coincidence, there has been a re-release of the complete *Hansel and Gretel* in English, made more than a decade ago and so based on Rosebery Avenue. This affords comparisons: between the homely, well-tamed Wagnerism of Humperdinck, and the real thing; and between the respective standards of playing and singing. Were things at the Wells really as good as this? Even for one with only a very limited appetite for the opera, it is difficult not to succumb to the infectious gaiety and charm of the performance. In 1964 Rita Hunter had to be content with the Mother; interesting to hear the same firm, powerful tones yet somehow devoid of lustre, of "presence" and personality.

Soho Poly

Sitting Ducks

by MICHAEL COVENEY

The fine and funny actor, Nigel Hawthorne, currently to be seen in *Otherwise Engaged* at the Queen's, has written a couple of short plays for this lunchtime venue and, owing to a sudden indisposition among the cast, appears in both. Neither piece is overtly striking or original, but at least the first, *Prompt!*, strikes me as if the author intended it for himself in the first place, so convenient a vehicle does it prove for a delightful battery of throwaway lines, puzzled stares and panic-ridden contortions.

The scene is backstage in a small seaside rep and the monologue of Harry Figdore, a prosecuting counsel in the last act of a tatty murder thriller, is a fair concoction of an actor's nightmare: discovered alone while applying the Leichner, Harry is frighteningly thrust into "a performance situation" with no sign of another actor, the prompter or, indeed, his trousers. We serve as a dream audience while a much-maligned producer broadcasts insulting ribaldry from the back of the stalls. Mumbling what he can remember of the script, scowling at the absent stage-management, frothing at the absurdity of his physical plight—Mr. Hawthorne presents a touching spectacle of sweat and confusion before being submerged in the National Anthem and jolted from discomfort by his half-hour call.

The programme suffers an awful lull while the scene changes for *Mummy*, in which a fussing, Scots mother (Joyce Grant in brown and orange) natters at the hospital bedside of her critically ill son. David's (Martin Mowlam) friendships with men are fuel to her appalling stream of gossip and invective, an assault which David can survive less easily than he did the car-crash. The character of this Morningside dragon does not offer too much scope to Miss Grant, but stronger direction by Andrew Carr would surely have dissuaded her from sneezing *twice* over the flowers. Thrift, thrift . . .

Romanian theatre

by FRANK LIPSIUS

Against a background of falling snow and a foreground portraying a country retreat as elegant as any rich and trendy lord's, *The Life of a Woman*, which has just opened at the National Theatre in Bucharest, details the unsatisfying success a famous actress has risen to in 20 years. Confronting five men from her past who seem little more than props for her monologue, the actress is played with unrelieved intensity by Marcela Rusu as she unpeels the layers of her past to discover the sources of her unhappiness. Important men in Romanian life, including a judge and politician, are reduced not only to reflections of this penetrating woman's past but also to the lesser roles they once played to feed their own ambitions. Prodding the woman's memory is a playwright brought to witness the confrontation with the thought of turning it into a vehicle for the actress: it is an unfortunately slick and functional role that Radu Beligan redeems with laconic irony.

Written and directed by Aurel Baranga, the play serves a specific time and even perhaps these specific people on stage. Miss Rusu is given a wide berth to display the festering passions and resentments of her life, while all around her remains rather cold and unyielding. The play's very specificity, while not conducive to the spread of Romanian dramaturgy, does make for interest in the theatre as an element of social change and—considering the production's great popularity—national introspection.

In its smaller hall, the National Theatre recently hosted a number of productions from the regional company at Cluj-Napoca, a university town in Transylvania. Among the production was Dumitru Radu Popescu's *A Bird Called Shakespeare*, also a play of contemporary life which is handled with considerable allegorical and intrinsic merit. The story begins with a teen-age girl's suicide, the result of being seduced by a boyfriend who would not marry her. It proceeds quickly to an investigation of the families involved, from the boyfriend's father who evades all responsibilities by being addicted to football (blowing a bugle, shouting cheers and sitting on tables) to the girl's deaf grandmother, stationed silently in front of a television. Leading the inquiry is a friend of the family, who ends up, in a complicated way, to be himself related to the others and as guilty as the boy being accused.

Besides delving into the kinds of compromise that are acceptable and those that are not, the play also scrutinises the Romanian past, when a man might abandon his wife because her wealth had become a political liability. Fine acting, particularly by the seducer Anton Tauf, the inquiring friend Constantin Adamovici and Melania Ursu as the girl's mother make

Book Reviews are on Page 28

the difficult relationships comprehensible and credible, while Alexandru Tatos's direction succeeds in keeping the inquiry from lapsing either into lugubrious melodrama or breathless confusion as everyone becomes implicated in the girl's and each other's fate.

With a dozen repertory companies (most with two houses), Bucharest has an insatiable appetite for foreign plays, the most popular of which tend to be British and American. Among long-running hits in the city are Albee's *Who's Afraid of Virginia Woolf*, now in its tenth year, Arthur Miller's *After the Fall* (five years) and *Incident at Vichy* (three years). Liviu Ciulei, an internationally known director from the Bulandra Theatre, recently returned from two months in Vancouver to find continuing packed houses for his productions of Paul Foster's *Elizabeth I* (which he will be taking to Paris in the summer) and *Long Day's Journey Into Night*. The production of *Elizabeth I* packs more circus playfulness into Foster's manic history lesson than did the Theatre Upstairs' production in London. Here the cast is young except for one of the grand dames of the Bucharest stage, Clody Bertola, playing Elizabeth with great gusto—doing a jig, sprawling on the floor and prancing across the stage in a leotard. Catherine de Medici is a rather beautiful but dim young lady who sputters out the name de Guise and then runs triumphantly in a big circle to the beat of a loud circus whip. Toma Caragiu plays the cameo role of Lazarus Tucker to the hilt of obsequious power, somehow always retaining his sympathetic charm as the procession of Catherine de Medici, Philip II of Spain and Elizabeth pay court to the humble moneylender.

The other productions brought from Cluj-Napoca indicate that the provincial theatre shares the interests of Bucharest. A *Twelfth Night* turning Olivia into a convincing riverboat queen New Orleans style shows off the skills of its director, Aureliu Manea, though a rationale for such a setting is never established —especially when it makes Malvolio completely out of place and most of the other characters marginal at best. The second act then loses all coherence with the introduction of random pop music and sloppy acting; still the play does convey more atmosphere than their production of Tennessee Williams's *A Streetcar Named Desire*, which is actually supposed to be set in New Orleans but here suffers from a paucity of suggestion with its non-descript suburban look and melodramatic acting. Despite the disappointments, visits from provincial companies are well attended by theatre people, who expect both good and bad, in the end, to contribute to the high standard of theatre in Bucharest.

Silvia Ghelan, Geo Nutescu and Melania Ursu in 'A Streetcar named Desire'

Radio 3

Rattigan's Theatre

by JEREMY KINGSTON

The overthrow of some entity described as the "Rattigan play" was confidently announced 20 years ago. The implied and the understated were to be no more. Away with such lines as "Pass me the salt" that really signified "I want to cut your throat." Away with the use of a report of a cricket match to convey the offer of friendship.

But the old herbalists understood a truth of life when they taught that certain plants were to be approached backwards, to lull the fears of guardian spirits. Certain human crises are best approached by the courteous pretence that we are doing something else. Where the past 20 years have witnessed a profound change (though still no overthrow) is in the realisation that the pretence need not be courteous. Fewer holds are barred—and yet the ambiguity remains. And if, say, Pinter's characters demonstrate the devious ways in which human beings assault one another, Rattigan has been driven more to show the devious means we use to repair the cracking heart.

The Radio 3 programme *Rattigan's Theatre* was significantly sub-titled "Portrait of a playwright," and the interviews taped and edited by Anthony Curtis were concerned more to indicate the range and quality of his plays than to relate their frequently similar concerns to the man. Attention was drawn to his recurring father and son figures. No playwright has written so many schoolboy parts—spurs to action like Winslow, a destructive force in King Nicky, healing agent in Taplow. Pre echoes of this in Rattigan's own life were courteously left implicit: he is, after all, though stricken with cancer, a living playwright—and currently at work on a play about Haig and Asquith.

The contribution selected by Curtis from David Rudkin went deeper. Here, in a few telling sentences, a younger playwright suggested that Rattigan's power derived from his bleak sense of the irresoluble pain of carnal solitude, a pain felt so keenly that he must shape it and, so to speak, reconstruct it into comprehensible form. Whence both the emotional power that charges all that talk of salt and cricket matches, and the profound satisfaction the plays convey through his mastery of construction.

Rattigan's comments on some of the younger playwrights he admires (Pinter, Orton) interestingly assisted an understanding of his own methods. His values never became obsolete—unlike the Sunderlands he crewed in the war—and his plays, thanks largely to radio, never suffered total eclipse. All partial eclipses are relative and so are rediscoveries. The theatre may have found Rattigan again (witness the recent success of *The Browning Version* at the King's Head, Islington) but I don't think the general public ever supposed he was lost.

Felicity Samuel Gallery

Nigel Hall

by WILLIAM PACKER

We are well used to the idea that the simple thing may be the best, and, in the applied Arts and Crafts, refinement and simplicity are readily accepted as prime virtues. Recent experience, however, confirms what we had always suspected: that the poor sculptor enjoys no such indulgence. The clay turned into a pot, unadorned, as basic as it is practical in its shape, and exquisite, is acceptable. Moulded into a brick, it is not. And the sight, indeed the very thought of it is enough to put some of the most gentle and law-abiding citizens beside themselves with indignation.

The trouble, possibly, lies in the general view that is held of these activities seen as work. The common man's commonsense tells him that wet clay on a spinning wheel is not quite so easy to manage as the craftsman's skill might suggest: and he is fully prepared to acknowledge that time and effort were lavishly spent on the acquisition of such command. Similarly with music, ballet, architecture, glass-blowing, basket-making: the necessary application and effort are re-assuringly apparent.

The artist, however, is in a different case. Anyone can pick up a brush and draw a square, or dribble a blob, or put a mop in a bucket: children indeed frequently do. The skills of the artist are too easily accessible, too close to common experience, and are as easily devalued and misunderstood. For Art is not about showing off, and not every artist feels called upon to demonstrate his expertise by doing what the layman finds difficult. The good artist, whether he chooses to paint flowers or place bricks, works through refinement and selection to make things as clear and simple as possible, to get it right. And experience, discipline, knowledge, and the unique creative insight, must all be allowed to remain implicit, requiring a certain amount of sympathy and effort to discern.

That such an approach also leads to the production of powerful and beautiful works of Art, and always has done, may be confirmed by a visit to any self-respecting museum or collection. And we are constantly presented with fresh evidence by artists working to-day. Nigel Hall's latest work, on view at the Felicity Samuel Gallery until April 9, shows us just how seductive and intriguing the simplest things can be.

He uses aluminium rods of various gauges, but none at all thick, and braces them out and away from the wall, linear configurations that move unexpectedly and dramatically as we move past, from the apparently two-dimensional relationship they enjoy with the wall, into actual physical space. At first the shadows they cast are the only clues given to their real nature, as these elegant and insubstantial artefacts flick and dance their way along and out towards us.

And then we begin to read the realities of space and distance, angle and articulation, the semantics of this kind of sculpture. As we do so, the particular spaces between the linear elements assert themselves, becoming strangely solid: hypothetical planes that nevertheless assume an active role in the increasingly complex reading of the work.

Some of the pieces are worked systematically, taking a basic form or proportion, and repeating and amplifying it. They are never allowed to grow over-complicated nor oppressively systematic. The simplest are the most ravishing, relying upon the gentlest nudge and twist, and unexpected articulation.

It is sculpture of implied form and plane drawing in the air that takes us effortlessly from the flat, through shallow, into quite deep space. Being off the floor, each work retains a certain privacy, an inviolable space appropriate to itself. We invade them only through the agency of our eyes and imagination. Theirs is an austere and remote quality of seduction, and the stronger for being so, an irresistible chic, in the best sense. They are teasing and ambiguous things.

ICA Theatre

Judas by MICHAEL COVENEY

Two boys and two girls in black cutaway togas create slowly-paced patterns of aggression and division. One of the boys is tied by his ankle to the floor, although he has about 20 feet of rope to play with. One of the girls taunts him and then starts to whip him with a short, knotted rope. Another girl hovers indecisively on the brink of the action while the other boy, his arms spread in meek and mild gestures, wanders on for his share of punishment. Money bags clink. Judas cannot resist, he kisses Jesus in very un-Biblical fashion for about two minutes and bends his spine to bear the man he has betrayed, becomes a human gibbet. After an hour we can just about make out a few garbled quotations from the Sermon on the Mount.

This is one of the pieces contributed by R.A.T. Theatre to a season of Physical Theatre at this address. The whole exercise is dull, humourless and boring. This is not necessarily the case because of the relentless tedium of the scenario, nor even because of the lack of text or discernible substance in the project. Quite simply, it is very badly done. Mime, movement, all forms of physical expression demand more passion, expertise, strength, research and downright conviction than possessed by this company. Only the Judas character (uncredited in the programme) strikes any sort of physical bargain with the audience and manages to stand on his hands for a few minutes at the end, driven to suicide by yet more spittle, a few extra lashes and a diminishing spotlight.

The puny Arrabal-style trappings of the piece are bad enough, but, in a more general context, anyone with the slightest knowledge of Artaud's writings, the work of Grotowski in Poland, of the Performance Group in America, of Peter Brook in England and France, will have formulated standards against which R.A.T. Theatre pit themselves to little avail.

Festival Hall

Davis and Watts

Tuesday's New Philharmonic concert conducted by Andrew Davis began badly with a package-holiday trip through Debussy's *Iberia*, that covered all the landmarks yet left innumerable subtleties of detail woefully unexplored. Miserable, watery trumpets failing to snap out their rhythms; seedy strings tentative in those strange and wonderful harmonics-plus-pizzicato phrases of the first movement, and scared of their luscious glissandi and portamenti of the second; a prosaic close-pressed sounding of the magical far-off transitions into the third —the catalogue, even thus far, makes boring reading: but a Debussy performance without hairline attention to the beauties of texture is a poor thing indeed.

And continued badly, with a generally unfortunate account of Mozart's C minor concerto, K491, by the American pianist André Watts. The initial problem, made evident with M. Watts' first notes, was not of his creating, but the effect of a piano in tuning fractionally but perceptibly under the orchestra does not increase one's enjoyment of Mozart (why on earth don't orchestras re-tune directly from the piano's own A before concertos?).

But, mercifully, ended well, with Schumann's Third Symphony in a lively and colourful performance, not particularly tightly disciplined or polished in sectional balance—the "Cologne Cathedral" movement exposed troubles among the trombones—yet gratifyingly responsive to all the harmonic and rhythmic delights, the little individual pleasures (such as those looping, bouncing patterns of the last movement) as well as the big energetic spans of the music.

MAX LOPPERT

WORLD TRADE NEWS

U.K.-Egypt shipbuilding talks end on sour note

BY JOHN WYLES, SHIPPING CORRESPONDENT

TALKS WITH an Egyptian trade delegation touring Europe with possible orders for 34 new ships ended on a sour note in London yesterday with some British shipbuilders blaming Government officials for imposing an unnecessary delay on their efforts to capture the contracts.

After talks with the Dutch Government at the week-end the Egyptians arrived in London with assurances of 100 per cent. credit for any orders they placed in Holland. But officials from the Department of Industry and the Department of Trade at yesterday's meeting are understood to have withheld any indication of whether Britain would match these terms.

Although the Egyptians are believed to have agreed to wait for the British reply before placing any contracts, some of the representatives of the 16 British shipbuilding companies present at the talks felt afterwards that an important opportunity may have been missed.

It was still hoped that British yards which are desperately short of business can win orders for some of the 34 cargo carriers required by the Egyptians, but the minimum condition for success would appear to be offering the same credit terms as the Dutch.

There are in line with the Organisation for Economic Co-operation and Development understandings limiting loans to 70 per cent. of contract price, repayable over 7 years at a minimum rate of 8 per cent. Credits for the remaining 30 per cent. of the price can be classed as aid to a developing country.

Whitehall's critics claimed after yesterday's meeting that details of the Dutch offer had been known to the shipbuilding industry by Tuesday and that there was no excuse for the Government's apparent lack of preparedness.

The Egyptian delegation was headed by Admiral Mahmoud Fahmi, the Minister of Maritime Transport, who outlined his country's needs for 49 cargo carriers of up to 14,000 deadweight tons over the next five years.

Fifteen of these will be built in Egypt and the rest abroad. British shipbuilders are hoping not only for some direct orders but also for a link-up with the Alexandria Shipyard, offering British technical expertise in return for a share of the yard's building programme.

Australian car policy attacked

By Kenneth Randall

CANBERRA, March 31.

GENERAL Motors-Holden's, Australia's biggest vehicle manufacturer, complained to-day that the Government was offering excessively favourable conditions to the Japanese companies, Toyota and Nissan, to enter car manufacture in Australia.

The federation of automotive products manufacturers said that the Government's new policy, announced last night, was a "shattering blow to the confidence of the Australian parts manufacturing industry." The chief spokesman for the metal trades industry said his members were gravely concerned also for the future of the components industry.

The managing director of GMH, Mr. C. S. Chapman, said that established Australian carmakers would be placed at a "marked disadvantage" compared with the Japanese newcomers under the Government plans.

Although he did not spell out the GMH objections, the statement is taken as a reference to the fact that no phasing-in period has been specified for Toyota and Nissan to reach the required 85 per cent. local content in their products, should they decide to enter local manufacture.

The Government has approved their entry provided agreement can be reached on the sourcing of four-cylinder engines. Although there is no current capacity in Australia for four-cylinder engine production, GMH and a consortium of Toyota, Nissan, Chrysler Australia and the Australian Industry Development Corporation both have plants to enter the field—a fragmentation the Government is trying to avoid.

The components manufacturers said the Government's new plans would "discourage investment, abandon many technical skills developed since the Second World War, and destroy a great many job opportunities in the vehicle plants, components factories and eventually in the steel mills.

Bateman in Soviet trade talks

By Our Own Correspondent

MOSCOW, March 31.

CBI PRESIDENT Sir Ralph Bateman had a wide-ranging discussion of Anglo-Soviet trade problems to-day during a 90-minute meeting with the Soviet Foreign Trade Minister, Mr. Patolichev.

British officials insisted the talks were of a general nature. They followed similar sessions with officials from the State Planning Board, Gosplan, and the chemical industry. But certainly Sir Ralph will be looking for signs of a follow-up to the statement in London earlier this month by the Soviet Foreign Minister, Mr. Gromyko, that the Soviet Union intended to make speedy use of the £950m. credit arranged during Mr. Wilson's visit here 13 months ago.

Sir Ralph is spending a week in the Soviet Union as the guest of Academician Kirillin, chairman of the State Committee on Science and Technology.

Among his interviews was one with Mr. Kostandov, the Soviet Minister for Chemical Industry, who flew to London this afternoon. Sir Ralph's schedule also includes meetings with officials of the Soviet Foreign Trade Bank and the Ministry of Construction Materials.

Report says U.K. misses out on OPEC exports

BRITAIN must improve its exporting performance, particularly to the oil producing countries, if the balance of payments deficit is to be eliminated says a report to-day.

But the evidence of recent years shows that the rate of growth of British exports to the Organisation of Petroleum Exporting Countries was lower than any of its major competitors.

The report on Recent Developments in the U.K. and World Economy is from the National Economic Development Office, and by coincidence comes at a time when a top-level trade mission from Saudi Arabia is visiting Britain with up to £70bn. to spend on a five-year development programme.

The balance of payments improved last year, and will continue to do so as North Sea oil flows ashore, says NEDO. "However, if the U.K. is to return to external balance and repay various borrowings, it is important to obtain a good performance in growing export markets."

Over the period 1970-74 British exports to OPEC increased by 165 per cent. compared with a 444 per cent. increase by Japan, 320 per cent. by West Germany, 228 per cent. by the U.S., and 218 per cent. by France.

(Recent Developments in the U.K. and World Economy. Price £1.50.)

Loewenbrau in U.S. agreement

BY ADRIAN DICKS

BONN, March 31.

LOEWENBRAU, the largest Bavarian brewery, has reached agreement with Miller's of Milwaukee for the production under licence of draft Loewenbrau in the U.S.

Announcing this in Munich, Loewenbrau also said it would slightly modify the formula of its beer, making it lighter and less bitter, in conformity with American tastes. Exports of Munich-brewed beer will be maintained, too, though this is expected to cost about twice as much as that brewed by Miller's.

The German brewery has made a strong attack on the U.S. market for a number of years, but saw sales in 1975 fall by some 45 per cent.

Tasman trade agreement

By Our Own Correspondent

AUSTRALIA and New Zealand have renewed for another 12 months from to-day their interim agreement guaranteeing tariff preferences in each other's markets. The interim agreement was originally signed in May, 1973.

EUROPEAN COURT EMI-CBS CASE

Opinion in favour of EMI

BY A. H. HERMANN

MR. J.-P. WARNER, Advocate General at the European Court, came down in favour of EMI Records in its dispute with CBS when presenting his opinion to the European Court in Luxembourg yesterday.

The Luxembourg proceedings arose out of three trade mark infringement actions brought by EMI against CBS subsidiaries in Britain, Denmark and Germany. The predecessors of the two companies agreed as far back as in 1922 on a global division of markets between them as a result of which the "Columbia" trade mark in the U.S. and in other Western hemisphere countries was owned by CBS and by EMI in Europe.

In recent years CBS tried to penetrate the European market with its own "Columbia" branded records, allegedly thus infringing the trade mark rights held by EMI under national trade mark laws of EEC member States.

CBS does not contest that EMI owns the "Columbia" trade mark in Europe but claims that it must allow the imports of CBS "Columbia" records from the U.S. under provisions of EEC law which over-ride the national trade-mark laws. Accordingly the three courts (in the U.K., Denmark and Germany) referred the cases to Luxembourg asking the European Court to rule on the issues of EEC laws involved in the dispute.

The CBS defence originally relied mainly on the EEC rules providing for freedom of movement of goods. During the Luxembourg proceeding, however, emphasis shifted to the application of EEC rules of competition. The EEC Commission, which has been looking into the case for several months, argued that EMI is not entitled to protection against identically branded products imported by CBS because EMI's trade-mark rights originate from anti-competitive market sharing agreements which existed between the two groups in the past.

The main legal issue in the case, according to Mr. Warner's opinion, is whether trade-mark rights can be invalidated by restrictive agreements which existed before the EEC Treaty came into force and consequently were perfectly legal at the time. EMI could lose if the Court rejects Mr. Warner's view and accepts the Commission's doctrine that pre-Treaty agreements can have such effect.

Interest

The European Court's decision is awaited with considerable interest. If the Court sides with the Commission the Common Market will be opened to U.S. goods with identical brands wherever the trade marks are of common origin.

The Advocate General rejected the contention that the EEC Treaty provisions requiring free movement of goods within the Common Market provide the same freedom to imports from the U.S. This contention, put forward on behalf of CBS, was greeted with indignation, said Mr. Warner not only by EMI, but also by the seven Member States which intervened in the proceedings and the Commission.

Throughout the proceedings it has been claimed by member-Governments that it would be grossly unfair to European companies to give American companies an advantage in Europe which is denied to them in the U.S. Last year CBS brought a successful action in New York against an importer of EMI records bearing the Columbia mark.

Both CBS and EMI say that all their market sharing agreements were terminated by 1956 but during the 1962-1971 period the two groups entered into a number of minor and short lived agreements which the EEC Commission described as marking a resumption of their relations. According to EMI, these agreements were concluded mostly for the exploitation of specific music programmes and were of a type which exists between all record companies, however independent and competitive.

The Commission takes the line that restrictive agreements which were not illegal, in that they existed before the EEC Treaty came into force, can have illegal effects because the effects, like trade marks, are restrictive in themselves.

This doctrine of the Commission, which can be conveniently labelled as the doctrine of the "original sin," has been rejected by the Advocate General. Its approval by the Court would greatly increase the already considerable uncertainty of EEC business law.

Dispute favours EEC trade mark system

By A. H. Hermann

THE EEC Commission's observations submitted to the European Court in the Terrapin/Terranova dispute are much more favourable to the continuance of the trade mark system in the EEC than has been feared so far.

The contents of the Observations, outlined to the CBI Trade Mark Conference on Tuesday by Mr. Bryan Harris, head of the Commission's Intellectual Property Division, augurs well for the Commission's Draft Memorandum on EEC trade mark policy finalised this week and awaiting the Commission's approval early in May. Publication can be expected, in duplicated form at least, in the middle of June.

The Observations submitted by the Commission's Legal Agent in the Terrapin/Terranova case make it clear that the Commission does not desire to deprive trade mark owners of the possibility to resist, under national trade mark laws, the imports of identically trade-marked goods from other EEC countries as long as the two trade marks are not of common origin.

In other words, the Commission does not insist on the extension of the Coffee Hag ruling. This outlawed the use of trade mark rights as a barrier to imports of goods lawfully trade-marked in another EEC country by similar or identical brand of common origin—that is where the two trade marks can be traced back to one and the same source, even if there are no economic links between the present owners.

The Terrapin/Terranova dispute has been referred to the European Court from Germany, where courts said that under German law a British company would be prohibited to use its business name and trade mark "Terrapin" because it is confusingly similar with the name and trade mark "Terranova" used by a German company, also active in the building materials industry.

However, on request of the British company, the German Court of Appeal has asked the European Court for a prejudicial ruling, whether such a decision would not be contrary to the EEC Treaty rules on free movement of goods, particularly in view of the Coffee Hag decision.

In addition to giving up the extension of the Coffee Hag doctrine, advocated by some of its officials, the Commission has also pointed out to the Court that the names "Terrapin" and "Terranova" do not appear to be similar to the point of confusing the consumers.

AMERICAN NEWS

MEASURES TO WOO FOREIGN INVESTORS

Argentina's new economic p

BY ROBERT LINDLEY IN BUENOS AIRES

THE NEW regime's elaborate *economic plan, which will not* be announced to the country by Economy Minister Jose Alfredo Martinez de Hoz, until to-morrow night, has been leaked to a Buenos Aires newspaper—La Prensa—which to-day publishes the essential points of the 52-page document. The "principal objective" of the programme is the "sanitation of the currency" and it forecasts unemployment and a significant drop in buying power for the Argentines.

It is a long-range plan which is extremely tough and in its abhorence of state controls is an about-face from the policy of the Peronist Government which was deposed a week ago. Yesterday after swearing in his team, Economy Minister Martinez de Hoz maintained in statements to journalists that Argentina is in its worst economic crisis ever. He pointed out that the 1930 crisis in Argentina was part of a world phenomenon but that the present one is, in large measure, an Argentine phenomenon.

The new plan stipulates that the present foreign investment law, which together with the violence here has reduced new investment from abroad to a negligible amount, will be replaced by one which will restrict to the "indispensable minimum" the areas prohibited to foreign investment. It will modify the capital percentages which now divide companies into the categories either of "foreign" or "national." In future, 51 per cent. of capital or votes, instead of the present 80 per cent., will be sufficient for a company to be classed as "national."

Moreover, according to the plan, the present confused category of mixed companies—part foreign, part national—will be eliminated. The capitalisation of "immaterial goods"—licences, brands, technology—will be permitted so that royalties will be treated as utilities. The registry *of representatives of foreign* companies will be done away with on the grounds that it amounts to "unconstitutional discrimination." Problems which have been created "artificially" with foreign companies—here the plan mentions Siemens, ITT, Shell and Exxon—have "seriously prejudiced Argentina's image as a country which respects contracts it has signed" and as such "will be resolved soon and with all possible justice."

'Doubtless the burden will weigh heaviest on the workers. . . . Pay rises will not be allowed to anticipate increases in the cost of living.'

By way of reversing the deterioration of the purchasing power of the Argentine peso, controls on prices, exchange and importation will be scrapped, as will export subsidies. This will be done with "energy and decision," but not to the extreme that it constitutes a "shock" treatment of the kind ineptly tried in June by the then Economy Minister, Celestino Rodrigo — and which shook the now-deposed Government. On the other hand, however, the plan rejects "excessively gradualist solutions" which, it maintains, are self-defeating. What will be tried is an "intermediate solution" which with "firmness and decision" will attempt to achieve the desired results within a period which, *the plan estimates, is* unlikely to be less than three years but which must not be more than five years.

By way of implementing this policy, three joint and gradual measures will be taken. The reduction of fiscal expenditure, an increase in money received for budgetary purposes and substantial increase in productive investment. The plan mentions the possibility of a "bridge" *over the period of unemployment* which some of the measures will cause, and unemployment insurance—which at present only the workers in the meat industry enjoy—will be initiated.

Some State-owned companies, such as the railways, will remain as such, but their functionaries will be named for their capacity and not for their "political merits." Companies in which the State has partially intervened, especially industries, will be subjected to a gradual process of replacement of the State-owned shares with "the reincorporation of private capital." Those companies which have been taken over completely by the State, *for the purpose* of creating sources of employment not provided by privately owned firms, will be put out to public tender and, it is hoped, sold to private investors. "There is no justification whatever . . . for the State to maintain and have in its charge sugar mills, metallurgical, textile and all kinds of plants under the pretext of maintaining sources of employment," is how La Prensa paraphrases this part of the plan.

An important part of the plan is its outlining of the future exchange policy. *It states* the "indispensability" of eliminating the black market and the "over-valued" official exchange rate, and of arriving at a single and free type of exchange, there will be established an "intermediate rate" between the official and the black market rate to eliminate "undesirable situations." Thereafter there may be a "moderate regulation" of the exchange by the Central Bank *pensable," says th* returning of flex ciency to the financial syster exchange transa since the coup d' sumed on Friday

The state oil YPF, "immediate tenders for the private compan "respective work" in petroleum pro termed a priority contract private pump in zones wh has already been envisages the pr ducing by \$1bn. a which YPF now h that the exploi attractive, reasor must be offered companies." Oil vate companies permitted to th most private oil c of them foreign and re-imbursed-

Doubtless the *plan will weigh* workers. Econ Martinez de Ho the plan to reve tarianisation of t which constitutes Argentine social rises will not anticipate increa of living, as the during the Peron The unions will rather restricted Referring to political power w wielded during *governments,* th Prensa's summ declares: "Wher power is added t economic power. unions is of suc that it constit actually a State that is stronger th management or ci tion, and more po than the Governi

Jackson aims to derail Carter in Wisconsin race

BY JUREK MARTIN, U.S. EDITOR

MILWAUKEE, Wisconsin, March 31.

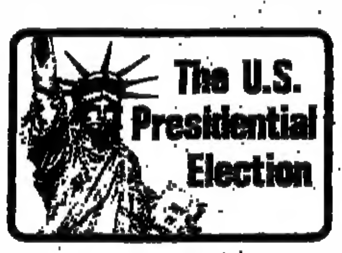
SENATOR Henry (Scoop) Jackson from Washington barnstormed through Wisconsin yesterday with one clear aim in view—*not to win this state's* Presidential primary next Tuesday but to do his best to ensure that Mr. Jimmy Carter does not.

The Senator would much rather see Congressman Morris Udall from Arizona, the only remaining liberal in the race, win here. The Jackson strategists believe that a Carter loss in Wisconsin combined with what they expect to be a massive Jackson triumph in the simultaneous New York primary would thoroughly derail the Carter bandwagon and enhance their candidate's chances in Pennsylvania on April 27.

Clearly Senator Jackson does not want to be embarrassed in Wisconsin, a major northern state which has been considered a bell-wether for Democrats over the years. If he does badly, he will claim that it was because he devoted little time to the state: if he does well, he will say this demonstrates his underlying strength: cynics comment that this is what is known as trying to have it both ways.

Senator Jackson is a much better campaigner than he was four years ago. Purists might say that he over-uses the extended left hand and sometimes spreads his arms in a manner unfortunately similar to the style of Richard Nixon. But, though no ball of fire, his speeches are now punchier and epigrammatic and he now understands how to use the media to his best advantage.

One tasteless incident in Madison yesterday illustrated this. A radical protester spat in Senator Jackson's face from close range. *The old Jackson would* have responded naturally and sharply but the new Jackson made sure that the television



cameras had captured the incident before wiping his face clean and expressing contempt for his opponent.

This was not the only unfortunate incident in Wisconsin yesterday. The sickest saw half a dozen young people baiting Governor Wallace by parading in front of him in wheelchairs their faces covered in masks bearing a likeness of Arthur Bremer, the man who shot Wallace in 1972 and confined him to a wheelchair. The Governor of the state and all the other candidates deplored this affair.

But it is what Senator Jackson says and does not say that is catching the attention here. He has, for example, rarely missed an opportunity to attack Governor Carter while at the same time being notably charitable to Congressman Udall. He has so far failed to raise the issue of busing—which may soon be as emotional a dispute in Milwaukee as it is in Boston. *Senator Jackson's sole primary* victory this year came in Massachusetts a month ago, largely on the strength of his opposition to court-ordered school integration, a prospect that faces Wisconsin's racially divided largest city.

If he were determined to win here, this is an issue which he would not have ignored, but it is a subject on which he differs sharply from Mr. Udall. Since he perceives Udall as the main threat to Carter he is not about to undermine the Arizonan's liberal credentials.

Thus the Jackson effort here is using one main pitch, that of jobs. He is aiming at what he calls his lunch pail market, relying on his good standing with organised labour to pull in the vote. In a speech last night in the American Serb Hall in the heart of Milwaukee's European ethnic district, he talked incessantly of "plain, ordinary, working Democrats" from "working class immigrant stock."

"Our people," he pounds away, "don't want hand-out cheques, they want payroll cheques." And when he mentions detente, it is in basic language. "Detente," he says, "is one of those fancy diplomatic terms. What it means is that you pay through the nose, they do all the taking (they are the Russians) and we do all the giving." Four years ago he would not have been so plain and his audience would have lost interest: to-day that it not so.

Congr makes defenc

TO THE surpris Administration, b Senate Budget C night approved budget with wha only token cuts, D *from Washingto* neither committee priates the mone of both of them under the new Budget procedure signed to prepar jections of actual in the fiscal year October.

President Ford a total of \$101.9 defence spending but also for auth or make commitm up to \$113bn. The tween the two fig cause contracts for weapons systems full payment in the in which the c made. The Senate mittee cut only first figure and o the second, but the Committee voted so cuts of \$1.5bn. a spectively. Both th a good deal lowe Democrats were their approval assisted by the fac ber of southern de with the Republica Mr. Ford had al Congress that he w whole defence spe Congress cut th liberal Democrats to cut.

Orion contra

Supply Minister Goyer has said t \$1bn. contract w Aircraft Corporatio *once again with ca* Defence Minister J son disagrees, UPI Ottawa. Mr. Goy officials yesterday Government's contr heed for 18 Orio patrol planes and later "I am less o I was yesterday." elaborate on his s said that "all avenu including cancellat agreement. Mr. Ric is under pressur department and N Treaty Organisation *through with the* reaction to Mr. Goye "I don't see that."

TWA 'paid \$25m. in commission'

BY JAY PALMER

NEW YORK, March 31.

TRANS WORLD Airlines, which only two months ago unveiled a huge 1975 earnings deficit of \$86.3m., confirmed to-day that it had paid "commissions" totalling \$25m. to one single agent during last year for his aid in helping the international carrier to sell some of its used commercial aircraft to two Middle *Eastern countries.*

The airline specifically said that it had paid a commission of \$20.1m. on its sale of nine used Boeing 747 Jumbo jets to Iran—an 11 per cent. rate on the deal's total value of \$183.1m. In the same year, TWA paid the same agent \$5.6m. on its sale of two Lockheed L-1011 TriStar jets to Saudi Arabia.

The agent, Mr. Henry Richard de Kwiatkowski, was described by TWA as a well known and established broker in the international market for used commercial jets. His company, Kwiatkowski Aircraft, is based in New York City.

Although TWA stressed in its brief prepared statement that the size of these commission payments was not "improper, illegal or indeed unusual," the immediate reaction from other carriers was that the apparent 10 per cent. fee was about double the more normal going rate.

Congress retreats on banking reforms

BY GUY DE JONQUIERES

NEW YORK,

UNDER HEAVY pressure from the commercial banks, Congressional Democrats have decided to water down further their proposals for a far-reaching reform of the banking system and have split their legislation into three separate Bills.

According to members of the House Banking Committee, which has been the prime mover behind the proposals, the three separate Bills will stand a better chance of approval than the omnibus legislation previously envisaged.

But this action is also a tacit acknowledgement of the efficacy of the vigorous lobbying campaign waged against the legislation by the U.S. commercial banks and, to a lesser extent, by savings institutions and foreign banks operating in the U.S.

The committee has made a major retreat by dropping one of its most contentious proposals calling for the establishment of a single bank regulatory agency to assume the duties of the Federal Reserve Board and the Comptroller of the Currency. This decision suggests that pressures in Congress for a fundamental overhaul of Federal bank regulations, which were fuelled by leaks earlier this year of confidential examiners' reports on the condition of some major banks, are now on the wane.

In addition, the committee has decided to omit an earlier proposal that would have required all financial institutions to keep reserves to support their deposits with the Fed.

Of the three new Bills, one will propose some small adjustments in the functioning of the Federal Reserve, while a second would autherise savings banks to offer current account services to their customers and allow them greater freedom in setting maximum interest rates on deposit accounts.

The third Bill, which has so far commanded the lowest priority on the committee, is designed to put foreign banks operating in the U.S. on an equal footing with the domestic American counterparts. The most controversial proposals would eliminate foreign banks' current freedom to branch in several states and to participate in both investment and commercial *banking.*

The Bill would require foreign banks, such as Barclays, which have branches in more than one state, to restrict their operations to a single state. This would mean divesting themselves of offending operations years.

Also before the co *proposals* advanced Federal Reserve B than a year ago w prohibit future branching by foreig would sanction exis networks spanning one state.

In addition, the Bill would make avai ties for the national of foreign banks present can be cha at State level) and wo them to obtain Fede *insurance or put up se* the Federal Governm the risk of deposit los

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Japanese political problem unsolved

By Peter Duminy

TOKYO, March 30.

THE JAPANESE Parliament yesterday passed the $9.5bn. stop-gap Budget required to maintain public services in the first 40 days of the new fiscal year (beginning to-day), but it remains an open question whether and if so how the full Budget and other pending legislation will be approved.

The parliamentary session is due to end on May 24, but it is clear that April will be the critical month for Mr. Takeo Miki's Government, now racked with dissension over what to do about the combined opposition's refusal to participate in normal parliamentary busines until the facts of the Lockheed payments (as contained in the documents due to be handed over by the U.S. Government) come out. The opposition will resume its boycott of Diet proceedings to-day, protesting against the inter-Government agreement that the American information will be restricted to the public prosecutors for the time being.

The Cabinet is apparently thinking of sending a special envoy to Washington, less with hopes of renegotiating agreement on handling of the Lockheed evidence, than with intent to disarm, if not placate, the opposition.

It is increasingly probable that the ruling Liberal Democratic Party's strategy for this election year has been jeopardised by the Lockheed scandal. As that emerged from the Government's handling of the "right to strike" issue last December, it was to take the toughest possible line with the unions in the belief that any industrial unrest would be electorally advantageous.

Adapted to the present impasse it would be logical to advocate that the main Budget and other measures should be pushed through this month in the absence of the opposition.

From the Government's point of view, the possible alternatives include a second stop-gap Budget should that prove necessary, a snap election, or an attempt to accommodate the Opposition by reshuffling the Government, possibly bringing in an "elder statesman" as caretaker Prime Minister until elections. These all look unsuitable for various reasons. The first possibility may be the least fraught with danger.

Mr. Miki's personal position still appears to have been strengthened by the Lockheed disclosures, but that has to be read in the context that it was desperately weak beforehand.

Pressure on Jumblatt to agree to Lebanon ceasefire

BY IHSAN HIJAZI

BEIRUT, March 31.

PRESSURE IS mounting here to bring about an end to the Lebanese civil war, set the stage for a political solution and head off international intervention.

Lebanese Left-wingers under Mr. Kamal Jumblatt are the main target of the pressure, which has come from Syria, the United Nations and the United States. Mr. Jumblatt has strongly deplored the decision by UN Secretary-General Dr. Kurt Waldheim asking the Security Council to take action on Lebanon. The Socialist leader called the move "regrettable and a grave error."

Premier Rashid Karami said such a step will have serious consequences. Christian leaders under President Suleiman Franjieh, however, had been speaking about taking the crisis to international organisations. A veteran U.S. diplomat, Mr. Dean Brown, was to arrive here to-day from Washington to examine the situation on behalf of his Government. Mr. Brown will act as a temporary replacement for Ambassador George McMurtrie Godley, who is in the U.S. recuperating from surgery.

Left-wing sources noted that Mr. Brown was ambassador to Amman in 1970 when the Jordanian army suppressed the Palestinian guerillas. His dispatch here was taken by observers as a sign Washington wanted to show that it was taking a deeper interest in the Lebanese crisis. Simultaneously, Washington released the news that 1,700 Marines are with the American Sixth Fleet in the Mediterranean now cruising not far from the Lebanese coast.

The reports said the fleet stood by to evacuate the 1,500 Americans who are still in Lebanon if and when the need arose. Observers said these Americans can probably leave by commercial means, and that the reference to the fleet was part of the psychological pressure the U.S. was exercising.

Western diplomatic sources said although the U.S. would think twice before sending American Marines here as it did in 1958, it does not want to see the Angolan experience repeated with the Left-wing forces in Lebanon overrunning the country.

The U.S. was reported to be in contact with the Syrian Government as Washington had spoken favourably of the Syrian initiatives in Lebanon, describing it as constructive.

Palestinian leaders have promised to sink U.S. warships if they intervene in Lebanon's civil war, UPI reports from Beirut. "America says its fleet can arrive on these shores within 24 hours," Yasser Arafat said. "They are welcome," he said. "And we will sink them in Lebanon as they were sunk in Vietnam."

AFTER THE ISRAEL RIOTS

Each side accuses the other

BY L. DANIEL

JERUSALEM, March 31.

RAKACH, the new Communist party, accused by the authorities here of inciting yesterday's riots in Arab villages and townships, this morning presented a motion of no-confidence in the Israel Government during one of the stormiest sessions ever seen in the Knesset (Parliament).

The party's parliamentary faction—four members, three Arabs and the other Jewish—accused the Government of being responsible for yesterday's bloodshed.

Mr. Yitzhak Rabin, the Prime Minister, sharply rejected the accusations, saying that it was Rakach which by continuous incitement was trying to destroy positive Arab-Jewish relations built with great efforts by successive governments in Israel, the parties, trade union movement, and other public bodies over the past 28 years.

The Premier said that the majority of Israel's Arab population had not permitted themselves to be incited but pursued their occupations normally yesterday. The Israel Government had no objections to Arab citizens expressing their opinion by lawful, orderly demonstrations, but he said that no enlightened state could tolerate the violence and riots which occurred in some places. He expressed his sorrow at the loss of life and said he hoped for the speedy recovery of the wounded.

One view held here is that the Arab demonstrators relied on divisions inside the Israeli Government over the handling of the population on the occupied West Bank for a "soft" reaction to what was, the authorities maintain, provocation of police and troops.

Mr. Shlomo Hillel, Police Minister, last night and Mr. Rabin again this morning made clear that the Israeli Government would not tolerate civil disobedience.

On the Jewish side, the disturbances have shattered what can only be termed complacency or lack-of-interest in the specific problems of the Arab sector—both political and occupational.

Israel's Arab population is in constant contact with that of the occupied territories, whose residents in turn visit Arab countries regularly with the permission of the Israeli authorities. The question of religion, the undecided future of the West Bank, and the fact that many Israeli Arabs have relations either in the occupied territories or the Arab countries are all factors in a complicated situation.

The division of opinion is reflected by to-day's Press comment, with the Left-wing Mapam daily expressing the hope that yesterday's events can be turned into a passing episode. Both it, and the Labour Party daily Davar call for a general re-evaluation of policy towards Israel's Arab minority.

"There should be a candid review of the policy towards the Arab minority—towards those who are prepared to be loyal to the state while preserving their Arab national identity. Despite the economic advancement in the Arab sector, the 'constructive intelligentsia' among the Arabs have not been brought over to identifying with the state but have been driven by frustration to side with the extremist opposition," wrote Davar.

The independent Haarezt pointed out that those who encourage the rioters should not have been surprised at what happened. Haaretz said the suspicion that the instigators of the riots may even have hoped that the clashes would result in dead and wounded.

To-day, both the West Bank and Israeli Arab centres were mostly quiet, with most shops open, but school life had not returned to normal, with the turnout of pupils only partial.

Ennals to see African leaders

By Quentin Peel

MR. DAVID ENNALS, British Minister of State for Foreign Affairs, is paying a surprise visit to Tanzania and Mozambique for talks on the Rhodesian crisis, it was revealed yesterday.

He arrives to-day in Dar-es-Salaam for talks with President Nyerere of Tanzania, chairman of the four presidents of Rhodesia's neighbouring states, who agreed at their summit in Lusaka last week to back an escalation of the guerilla war against the minority white regime in Salisbury.

Mr. Ennals will travel on to Maputo where he expects to see President Samora Machel, and will discuss how Britain can best supply its promised £15m. of aid to help Mozambique survive the cost of imposing economic sanctions on Rhodesia.

The trip is a direct result of Foreign Secretary Mr. James Callaghan's statement in Parliament last week proposing British re-entry into negotiations, provided acceptance of majority rule was a cardinal precondition—proposals which were publicly, if not formally, rejected by Mr. Ian Smith. But there is no hint of Mr. Ennals diverting his trip to Salisbury.

Meanwhile, the Commonwealth Sanctions Committee, meeting in London, agreed to ask member governments to declare just what practical aid they could give Mozambique.

Britain's share was confirmed yesterday as an immediate interest-free loan of £5m., together with another £10m. "to cover a period of years."

The sanctions committee was told that India will be contributing $100,000, and Nigeria would also be announcing a bilateral aid programme in the near future.

● Jane Bergerol writes from Luanda: The President of the banned South African ANC, Mr. Oliver Tambo, is in Luanda for talks with government and party leaders preparatory to setting up a permanent office in Luanda and gaining broadcasting facilities from Angola to South Africa.

Back from a trip near the Namibia border with MPLA leader Lucio Lara, Mr. Tambo forecast there would be no end to South Africa's United Nations-condemned occupation of Namibia without an intensification of armed struggle by SWAPO, the Namibian liberation movement, whose headquarters are in the process of being moved to Angola.

A CONSTITUTION FOR NAMIBIA

The SWAPO factor

BY STEWART DALBY IN JOHANNESBURG

A CONSTITUTION for South West Africa or Namibia is to be drafted by a committee decided upon much more quickly than anyone expected by a conference in Windhoek representing the ethnic groups—but not the political parties—of the South African-administered territory. In the meantime the assembly has adjourned.

The previous plenary session of the conference, which broke up last September, had talked in terms of three years before Namibia could achieve a constitution and independence. The United Nations in a series of increasingly bellicose resolutions has called for elections before August of this year. It is not inconceivable that by the time the talks reconvene in June, there could be a draft ready for the delegates to consider.

But the key question which has always overshadowed the conference remains open: will any document it agrees on be worth more than the paper it is written on—even in the short run—as long as the main black political party, the South West African People's Organisation (SWAPO) is excluded from the drafting?

The delegations from the 11 tribal or ethnic groups in the territory which South Africa has administered since Germany lost it during the first World War have so far held two major sessions of the constitutional conference. At the end of the first, last September, they agreed to set up four specialised committees. They were to report on aspects of the territory's life such as education, social and economic inequalities, and racial discrimination. When the conference reassembled at the beginning of March, these committees' recommendations were quickly dealt with. The conference agreed that there should be an end to job inequality, and to the lack of educational opportunity. These are things easy enough to say.

Essentially what the conference was working towards was a further dismantling of petty apartheid. This process had already gone some way before the conference reconvened. The notorious and slightly ridiculous "blacks" or "whites" only signs have largely disappeared from Windhoeck. Three hotels were granted "international licences," meaning that they may serve both blacks and whites. In one case, that of the Kaiserkrone hotel, the licence has caused nothing but trouble. Gangs of vigilantes, who are suspected of being policemen in plain clothes, have waited outside and attempted to beat up whites emerging with black girls.

Despite this, the conference's acceptance that petty apartheid should continue to be eroded has had some practical effect. The local brewery said during the talks that its outlets should serve both blacks and whites. That put a number of hotels on the spot. In Windhoek itself, the problem is not so great, but a few miles out into the desert any attempt to follow up the brewery's wish is likely to cause friction in the bars to say the least.

However superficial the moves against petty apartheid might seem, they are in line with how the white delegation envisages progress towards a constitution. The three whites at the talks—who represent 100,000 people of a total population of 750,000, and of whom one third is German speaking—saw the talks moving through three, very drawn out stages. First there was to be a declaration of intent, achieved last year. Then there was to be some social and economic equalisation. Finally, once the blacks were considered ready for it, there was to be a constitution.

Mr. Mudge may attempt to draft a constitution along the lines proposed by Chief Clemens Kapure, head of the Herero tribes delegation. It is the only blueprint so far to have appeared, and was largely drafted by an American constitutional lawyer, Mr. Stewart Schwartz. He proposed a constitution which would give each tribal or racial group its own representation in the legislature. Fundamentally, therefore, it would enshrine political apartheid, though in a form less rigid than Right-wing whites would prefer. The document also envisages a bicameral legislature, an executive based on the ministerial Cabinet system, and a president.

Probably, however, Mr. Mudge will try to steer a course—assuming he wants to produce a draft quickly—between the Schwartz draft and the demands of Right-wing whites. Many of the whites, although apparently not the Germans, would find that blueprint unacceptable since they would prefer more rigid ethnic separation. They incline towards a loose federation modelled on the South African Bantusan or Homeland system to ensure that white minority rule is perpetuated.

That idea is unacceptable to SWAPO. In a nutshell, SWAPO together with a group of smaller but similar thinking political groups, wants elections to be contested on a one man, one vote basis between political parties rather than ethnic groups. SWAPO claims to have the support of 40 per cent. of the population. There is no way of telling whether that is true, but if true and if SWAPO's demands were met, it would mean immediate black and perhaps SWAPO rule.

The prospect of majority rule on a political basis is anathema not only to most whites, but also to some of the minority tribes like the Herero who fear domination by the Ovambo.

'If SWAPO's demands were met, it would mean immediate block, and perhaps SWAPO, rule.'

SWAPO draws much of its support from the Ovambo tribe who with a population of 400,000 constitute by far the largest group in Namibia.

The crucial issue for the present therefore is whether SWAPO should be admitted to the constitutional talks. If its representatives are not allowed into Mr. Mudge's committee, the committee could find itself moving along a siding rather than along the main track, and finally get nowhere. The real danger is that while the committee is moving along this siding, the external wing of SWAPO may step up its guerilla war. SWAPO claims to have 4,500 men under arms. That may not sound much, but given the changed situation in Angola, the increasing pressure on the whites in Rhodesia, and South Africa's diplomatic isolation as well as its desire for détente, a sustained guerilla campaign could easily force the pace considerably.

Any increase of guerilla activity just now would come at a delicate moment for South Africa, which is pulling its troops out of southern Angola on the strength of assurances about the safety of the Calueque Dam inside Angola—a project which, when completed, will mostly benefit Namibia. The troops are returning to South West Africa where they would be the only force protecting the whites, since they have no army or police of their own. But the respite could only be temporary. Under the pressure of continued United Nations resolutions demanding the independence for Namibia, Mr. John Vorster, the South African Prime Minister, has said that it shall indeed have its independence. He may find that he is forced or wants to give it sooner than expected, and on terms not necessarily congenial to the whites there.

EUROPEAN NEWS

Little hope for radical initiatives from Wilson's last EEC summit

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

LUXEMBOURG, March 31.

THE EEC summit opens here tomorrow with the Community once again in difficulties in the wake of the currency upheavals of the past few weeks. But it seems unlikely that any major new economic or political initiative will emerge from the two days of talks between the nine Heads of Government.

The meeting will almost certainly be the final foreign policy engagement of Mr. Harold Wilson, the retiring British Premier.

President Giscard d'Estaing has said that economic and monetary problems must take priority at the summit, originally intended to focus mainly on Europe's political future. He has sounded out his partners on plans for reorganising the jointly floating currency "snake" which France left just over two weeks ago, so that all nine countries could participate in a more flexible scheme.

But the reactions of Germany and the Netherlands, both important "snake" members, are likely to be cool. The view in Bonn appears to be that non-participant countries must first put their economic policies in order and then return to the existing "snake" scheme. The Brussels Commission too feels that solutions to the fundamental problems cannot be found by inventing new monetary devices.

Britain has said it will make unemployment a key issue at the summit, particularly in the light of forecasts that the number of jobless will remain high for the rest of the decade. Latest figures issued by the Commission to-day showed that at the end of last year a record 5.5m. people were unemployed in the Community, an increase of 35 per cent. over the already high level at the end of 1974.

On the political front, the major topic will be plans for the direct election of the European Parliament from 1978, already agreed in principle, with possible exceptions for Britain and Denmark, at the last of the EEC's regular thrice yearly summits in Rome last December. Here again, however, agreement is likely to be far from easy, and Mr. James Callaghan, the U.K. Foreign Secretary, has publicly stated that a final decision may not be reached until the next summit in July.

The main difficulty is the size of the new directly elected Parliament and the distribution of seats between the different member countries. Proposals range from French suggestions that would give smaller countries fewer seats, to an Irish plan that would raise the number of the small nations' representatives above the level proposed by the Parliament itself.

The fear in Parliamentary circles is that the Heads of Government may conveniently use differences over the number of seats to put off the final go-ahead for the elections in May or June, 1978.

Nevertheless, M. Gaston Thorn, the Luxembourg Prime Minister who will be in the chair, has promised the Parliament to give the subject high *priority, and Herr Helmut* Schmidt, the West German Chancellor, also regards it as highly important. Bonn's line is that it cannot indefinitely continue paying for the Community if the other countries are not prepared to make steps towards greater political unification.

The Heads of Government will also have to have a first discussion of the Tindemans Report *on* European Union, produced by the Belgian Prime Minister at the beginning of the year. No final decisions are expected on the report, which proposes a long list of actions designed to create a "qualitative change" in the nature of the Community, but M. Thorn at least wants agreement on how discussion of the Report is to proceed from now on.

In this connection, the other Heads of Government may well sound out Mr. Wilson and Mr. Callaghan over the identity of the next president of the Commission, a job for which the U.K. is expected to propose a candidate.

The general feeling in Brussels is that the chances of Sir Christopher Soames, currently vice-president for External Relations, have virtually evaporated following Mr. Wilson's decision to resign.

While the summit is likely to provide an occasion for fulsome tributes to Mr. Wilson, the other Heads of Government will clearly be particularly interested in the views of Mr. Callaghan, who is bound to be regarded as the heir apparent. The summit will be followed up here next week by *a massive series of meetings of* Ministers of Foreign Affairs, Finance and Agriculture, as well as a session of the European Parliament, which is bound to complain bitterly if a final decision on direct elections is postponed.

Giscard confirms support for direct elections to Parliament

PARIS, March 31.

FRENCH PRESIDENT Giscard d'Estaing will confirm his backing for direct elections to the European Parliament in 1978 at the Common Market summit in Luxembourg starting to-morrow, official sources said here to-day.

"France will confirm its agreement with the decision of principle taken on this subject and will be prepared to discuss the procedures to be chosen with its (EEC) partners" a Presidential spokesman said.

M. Giscard d'Estaing, who personally supports direct elections to the Strasbourg Assembly, has run into considerable opposition at home from the Gaullist party, the biggest in the Government majority.

*The Gaullists have strong re*servations about the direct election plan, which they fear would lead to the EEC Parliament eclipsing national legislatures.

Other subjects which d'Estaing wants discussed at Luxembourg are the economic cohesion of EEC member States and the report on prospects for European Union prepared by Belgian Prime Minister Leo Tindemans.

"Considering the monetary events which have affected Europe, the Luxembourg meeting should be the occasion to reaffirm the desire to maintain the economic cohesion of the *Community," the Elysee Palace* spokesman said. He declined to be more specific.

Informed French sources said M. d'Estaing would not be making any proposals in Luxembourg for changes in the European joint float mechanism, the so-called "snake" from which France withdrew on March 14.

French Finance Minister Jean-Pierre Fourcade has already *suggested publicly that the* snake mechanism should be more flexible to withstand speculation. But the sources said he would not be making proposals along these lines at next month's EEC Finance Ministers' meeting.

The French sources indicated that Giscard is unenthusiastic about taking the discussions on the Tindemans Report very far in Luxembourg.

They said the French leader favoured a "first exchange of reflections" on the Report opening the way to a later, more detailed examination of its proposals.

Giscard has not yet reacted publicly to the Tindemans document. But he is widely believed to be unimpressed by the Belgian leader's thinking, particularly where he proposes new powers for the EEC Executive Commission and majority voting in the decision-making Council of Ministers.

Addressing to-day's French Cabinet meeting, Giscard pledged France's will to continue working towards the goal of European political union, according to Government spokesman Andre Rossi.

Reuter

Chairman of Fiat warns on economy

ROME, March 31.

SIG. GIOVANNI AGNELLI, chairman of Fiat and President *of the Italian Industrialists'* association, Confindustria, chose Trieste, frontier city between Italy and Yugoslavia, to make a major speech warning that Italy was on the brink of economic and political collapse and reaffirming the need for closer European integration.

He warned that the cost of new labour contracts for over 5m. workers now under negotiation, when added to the cost of the automatic threshold payment system, and the uncontrolled expansion of public spending threatened Italy's international credibility an dits ability to compete internationally.

Sig Agnelli also critisized *the tight credit expansion* ceilings insisted on by the IMF in connection with the $530m. facility for Italy currently under discussion. "It is unrealistic to make the granting of credits dependent on a liquidity squeeze of such dimensions as to lead inevitably towards a new recession," he said. Such measures repeat with exasperating regularity *an insupportable increase in* the cost of credit for investment and higher taxes on products which are at the base of economic development. Such measures reduce external pressure on the economy but increase unit costs and make the crisis irreversible for enterprises and employment, he added.

W. German credit for Egypt

By Adrian Dicks

BONN, March 31.

Egypt wil benefit from German export credits of up to DM300m. (some £62m.), the Foreign Ministry announced to-day as President Anwar Sadat ended his three-day visit to Bonn. This comes on top of the German Government's earlier agreement to give Cairo DM130m. in easy loans and DM100m. in grant aid, in response to Mr. Sadat's appeals for help in rebuilding his country's economy.

The Egyptian President told the Press to-day that he was "quite satisfied" with his discussions with Chancellor Helmut Schmidt and other members of the Government here. He said he felt his suggestion that Germany should be among the European guarantors of a Middle East peace settlement had been favourably received. But he also accepted the Chancellor's ruling out of any role for German troops in a future peace-keeping operation.

Once again, Mr. Sadat pressed the German Government towards recognition of the Palestinian Liberation Organisation, saying he was pleased with Herr Schmidt's call for Palestinian interests to be taken into account.

Mr. Sadat also said that the question of German arms sales to Egypt had not been raised. He had been aware before ariving here that the Federal Government would not alter its embargo policy for countries in areas of tension.

King Juan Carlos (centre) with Queen Sofia at his side in Seville yesterday. Th week's tour of Andalucia.

Fraga flies to Paris ta

BY ROGER MATTHEWS

MADRII

SNR. MANUEL Fraga, Spain's Interior Minister, flew to Paris to-day for urgent talks with French Government officials, as pressures on him mounted at home from both Left and Right. Tensions within the Spanish Cabinet are understood to be increasing again, with some régime sources claiming that an open division will become apparent in the next *few weeks.*

Four leading opposition politicians are still in police custody following the banning of a news conference on Monday at which the new Democratic Co-ordination movement planned to give details of its organisation: a tactical alliance between 13 Left-wing, middle-of-the-road and worker organisations. The Government has accused the Democratic Co-ordination of being a "popular front" financed by the Communists and a grave threat to peace in the country.

The Paris visit of Snr. Fraga is probably aimed at seeking French Government support in denying refuge to Spanish Basques from the military wing of the separatist organisation ETA. The Interior Minister issued a statement here to-day forbidding either negotiations or the payment of ransoms for victims of ETA kidnappings. A wealthy Basque industrialist was seized 10 days ago by the ETA and a ransom of more than £1m. is being demanded. The ETA has also claimed responsibility for yesterday's killing near *San Sebastian of* a man whom the organisation claims was a police informer.

The Interior Ministry statement said that any ransom money would be used by the ETA to buy arms and increase terrorist activity. Anyone who broke the Government order would be severely punished.

Perhaps the most bizzare news of the week has coem from Snr. *Sanchez Covisa, a leader of the* extreme Right-wing group Guerillas of Christ the King. He has started legal proceedings against the three "ref.rm-minded" members of the Government (Snr. Fraga, Snr. Areilza, the Foreign Minister, and Snr. Garrigues, the Justice Minister), challenging their liberalisation proposals that would rule out "totalitarian" parties.

Snr. Sanchez Co would ban the F which is Spain's political organisati Civil War Ge brought all the forces which supp the National Mo Snr. Sanchez Cov writ has been in three Ministers, w fore, he claims, lia tion.

Meanwhile, the of Barcelona has sion for a Right-wi tion on Sunday, h a request by the cal parties to hol the same day in su cal amnesty. He h similar Catalan d at the beginning *when tens of thous.* took to the streets

Political organi Left and Right a demonstrate in Ma week-end, althoug has yet to indicat will let the Right ahead. He is certa planned demonstr port of political a

U.K. executives 'are paid l

BY GUY HAWTIN

FRANKFURT

BRITAIN's top corporate managers are paid less than their counterparts in virtually every other leading Western industrial nation. At the same time the U.S. leading company executives last year lost their traditional place at the head of the salaries league.

A report published here by the management consultants Towers, Perrin, Foster and Crosby shows that the lead has been taken over by the West Germans and the Belgians, with the Dutch and the Brazilians close behind.

Naturally, fluctuating currency values have played some role in the changes, but, all the same, it appears clear that in most European countries top executives' pay has shown a greater rate of improvement than in the U.S.

The report points out that it is by no means easy to equate changes in executive earnings from country to country. For instance, in the U.S., Canada and Japan performance frequently paid ov flat salaries. Thi it appears, catc Europe. Stock opt w'despread in the

These fringe widely from count In Japan, for exa salary can often f half of an exec reward. In the U acount for some a $10,000-a-year-ma pay.

'Co-determination' for Swe

BY WILLIAM DULLFORCE

STOCKHOLM,

IT WAS a "historic moment" for Sweden, Prime Minister Olof Palme said to-day, when he presented to the Press his Social-Democrat Government's Worker Co-determination Bill. The Bill would finally break the barrier which had preserved decision-making for the owners of capital.

If the Bill is approved later this year by Parliament, Swedish trade unions will be able to negotiate with employers co-determination agreements covering traditional management fields as well as working conditions. If the employers refuse to include such provisions in collective agreements, the unions will have the right to strike.

The Bill would effectively abolish management's prerogative to organise and direct work unilaterally. Executives would be obliged to negotiate with worker representatives before taking any significant decision. In any dispute the union view would prevail, until the Labour Court has pronounced a verdict.

The unions wou right to obtain any on company affairs might need "to sa members' interests. also be able to v contracting agreem an employer, if it c the terms of the agreement.

The Prime Minis employers' criticis new law would company manage decisions and crea sional elite within

Agreement has been reached to safeguard exported nuclear technology. **David Fishlock** reports on . . .

New rules for the nuclear club

THE VEIL of secrecy surrounding the deliberations of the seven nuclear exporting nations, whose four clandestine meetings in London last summer and autumn aroused so much speculation, is slowly being raised. The seven governments concerned—the U.K., U.S., USSR, France, West Germany, Canada and Japan—have now disclosed, or shortly will do so, the terms they have agreed on which the three so-called "sensitive technologies" can be exported.

These sensitive technologies are the *enrichment of uranium* and the reprocessing of spent nuclear fuel, both of which can yield fissile material from which nuclear weapons can be made, and the refining of heavy water, a key requirement for the operation of certain types of nuclear reactor. In a Parliamentary reply yesterday, the Foreign Secretary disclosed that the new terms for safeguarding exports of these three technologies (see accompanying sketch) include four key requirements.

First, the exporting nation will require an assurance that nuclear technology of any description will not be used to manufacture a nuclear explosive for any purpose, including so-called *peaceful nuclear explosives* (PNEs) designed specifically to perform an earthmoving task. This stipulation was not made before in contracts negotiated with nations which had refused to sign the Non-Proliferation Treaty (NPT).

Secondly, the exporting nation will require an assurance that exports will be adequately safeguarded against the risk of theft or sabotage. This is an entirely novel requirement, and reflects the growing public concern with the activities of terrorists and dissident political groups.

The third requirement concerns the re-exporting of nuclear technology transfered from one nation to another. The recipient will be required to gve assurances that technology will be re-exported only under the same international safeguards that covered the initial transfer of technology.

The fourth requirement covers "replication," the possibility that technology transferred from one nuclear facility under international safeguards might then be used by the recipient to construct other facilities beyond the reach of those safeguards. The supplier will require assurances that safeguards will apply to any replication of plants within 20 years.

The obvious question is whether these assurances cover the weakness of the situation exposed so dramatically by the Indians when they exploded a nuclear charge on May 18, 1974. The Indian "PNE" was an atomic bomb made from *plutonium-239* obtained from an experimental heavy water reactor provided virtually as a gift by the Canadians.

Behind a smokescreen of apparent dedication to the principles of international nuclear safeguards—which included a public ceremony when it opened its first nuclear power reactor to the inspectors of the International Atomic Energy Agency—the Indians proceeded to develop their own facility for extracting plutonium from nuclear fuel.

The answer must be that nothing will prevent a nation that is sufficiently dedicated to making nuclear weapons from *eventually* acquiring the technology. Britain itself, when debarred by the McMahon Act in 1946 from the technologies of the wartime Manhattan Project—to which it had unreservedly given its seminal work on uranium enrichment—launched out on its own to create both an independent nuclear deterrent and a new source of energy.

That said, however, the new stipulations now being required by the seven should appreciably reduce the chances of a sensitive technology being misused. Most significantly, perhaps, the new terms have been applied to the much-criticised £1.9bn. deal done by the West Germans with Brazil last summer, when they undertook to provide Brazil with virtually a complete nuclear industry, including all requisite fuel cycle technologies.

The Germans asserted from the outset that the terms of the deal had already sewn their customers up tightly. In any event, the "London Group" meetings began when the deal was in its closing stages, and any agreement it might reach was not expected to be retroactive. In practice, the Germans have been able to apply the important new requirement on replication to the safeguards stipulated in their contract. The Brazilian Government has agreed that for a period of 20 years after receiving details of the German "jet-nozzle" process of uranium enrichment, and of reprocessing knowhow, it will not use them to build plants of its own except under international safeguards.

The seven, however, do not see the present agreement on export terms as the ultimate in safeguards. They still plan to meet—perhaps two or three times in the next year. The U.S., on whose initiative the first meeting was convened last April, is still pursuing its suggestion of *regional fuel cycle plants* operated under international control to prevent misuse of enrichment of the plutonium by-product.

But for the moment the U.S. Government is putting its energy into a study of the idea and its political ramifications, which the International Atomic Energy Agency has undertaken. This will deal with such questions as whether an acceptable regional site might be found for a reprocessing plant in, say, South America (bearing in mind the mutual antipathies of the three near-nuclear nations, Brazil, Chile and Argentina), in the Middle East, or on the Indian sub-continent. This study is not expected to be ready before next spring; and the U.S. is urging would-be purchasers of reprocessing plants to wait for its appearance.

Meanwhile another three nations (the Netherlands, Sweden and East Germany) have now joined the original seven; and three more (Belgium, Italy and Czechoslovakia) are likely to join soon.

The question remains: What can be done about nations which are considered politically suspect or sufficiently unstable to pose a real threat to any safeguards agreement? For example, the idea that the French might export a 600 MW power reactor to Libya, thereby providing them with a source of plutonium (even if it withheld the reprocessing technology for its extraction), has aroused widespread concern.

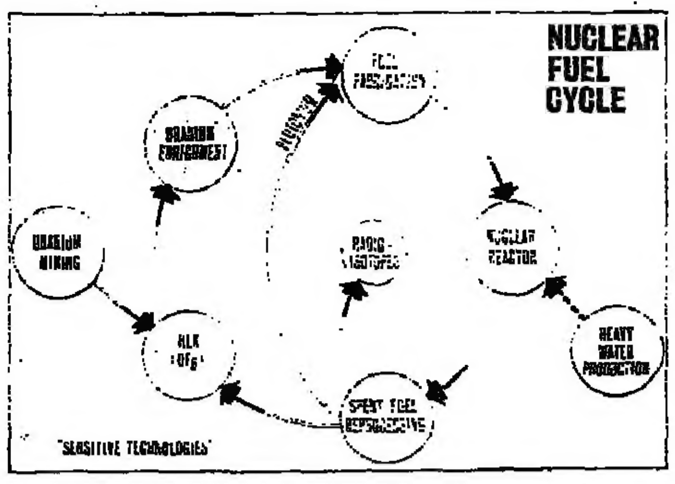
A distinct problem here is that the various members of the *nuclear appliers group may see* the potential customers in quite a different light. The Canadians, although deeply affronted by what they saw as gross Indian abuse of their willingness to transfer nuclear energy technology, are nonetheless busy renegotiating to complete the contracts they themselves suspended following the Indian explosion. They are also negotiating contracts with South Korea and Argentina—countries which the West Germans for instance see as an untenable political risk.

As for the Libyan reactor, fellow group members think that as recently as the last meeting *in November, France would* have considered Libya too great a risk. There is the suggestion that what was nothing more than a vague gesture by the French Prime Minister has been overplayed by the Libyans themselves, and that the deal in fact will never be concluded.

Altogether the nuclear suppliers group has isolated 11 nations which have declared nuclear programmes but which are unlikely ever to be persuaded to sign the Non-Proliferation Treaty. For these—and others that surely will follow—the best hope of preventing access to nuclear explosives for the foreseeable future seems to lie in close vigilance by the nuclear exporters over the equipment these nations may try to import.

For example, although a reprocessing plant uses a great deal of conventional chemical *engineering plant*, it also requires certain key items which can have no other purpose, such as the robot machinery for dismantling highly radioactive spent fuel, and the distinctive process tanks of "sub-critical" *size* and shape required if the chemistry is to be conducted safely.

The nuclear exporters can also keep watch on the qualifications and experience of those being promoted to high office in nations with dubious nuclear aspirations. A more watchful world might have discerned the Indians' true purpose much sooner from their choice of an experimental heavy water reactor and the high status accorded the chemist responsible for their development of reprocessing technology.



How the three "sensitive technologies" fit into the nuclear fuel cycle. Once a nation knows how to enrich uranium to nuclear fuel requirements (2-4 per cent. uranium-235) it is fairly straightforward to continue to A-bomb levels (90-100 per cent). Another nuclear explosive (plutonium-239) can be extracted by reprocessing nuclear fuel removed from a reactor. The third sensitive technology is the refining of heavy water, a key component in a type of reactor which is a prolific producer of plutonium.

Bonn and Moscow to scrap plans for atomic power plant

BY OUR OWN CORRESPONDENT MOSCOW, March 31.

EAST GERMAN objections are believed to have played a role in the decision to scrap joint Soviet-West German plans for the construction of an atomic power station in Kaliningrad, the former East Prussian city on the Soviet-Polish border.

The Bonn Economics Minister, Herr Friderichs, announced to-day that the project, first raised 18 months ago and believed to involve millions of Deutschemarks, was being abandoned. The proposal called for several West German firms to build the plant and for the Soviet side to pay for it with deliveries of electricity via East Germany and Berlin.

The reason cited by Herr Friderichs was that the high price sought by the Russians for the electricity was too high. But the East Germans are understood to have been strongly opposed to inclusion *of West Berlin in the project*, and diplomats said these objections may have been significant.

Herr Friderichs said both Bonn and Moscow regretted the decision to give up the plan, but they had agreed there would be no purpose in continuing technical discussions.

It would be wrong, however, to interpret the cancellation as a sign of cooling of Soviet-West German economic ties, which last year reached a total trade turnover of DM10.2bn. or £2.1bn.

On the contrary, Herr Friderichs said, he had gained the impression during three days of talks here that the Russians were anxious to seek other ways of redressing the heavy trade imbalance between the two countries.

The Bonn Minister came to Moscow on Monday for a meeting of the Bilateral Commission on Economic Co-operation. Earlier to-day he spent an hour closeted with the Soviet Premier, Mr. Kosygin, for a wide-ranging review of trade affairs that Soviet officials said was conducted in a "business-like and constructive" atmosphere.

Nicholas Colchester writes from Bonn: In Bonn, the news of the final collapse of the atomic power project was received with equanimity. Some of the arguments for the power stations have faded away since the project was conceived. Germany is to-day less worried about the diversification and extent of its energy supplies.

Kraftwerk Union's interest in building atomic plants in Eastern Europe has been overshadowed by its success in Brazil. The major remaining interest was the chance of linking West Berlin to West Germany by electrical transmission lines, and it was always clear that it would require exceptional pressure from the Kremlin to get East Germany to go along with this.

Greek parties rally in support of Government

BY OUR OWN CORRESPONDENT ATHENS, March 31

Greek opposition parties today rallied behind the Government on its stand over Monday's U.S.-Turkey military aid pact and accused Washington of strengthening Ankara's arm in its expansionist policy against *Cyprus and Greece.*

The Government yesterday isused a brief statement expressing concern over the pact and made demarches to Washington and EEC Governments drawing their attention to seriousness of the situation.

Mr. George Mavros, leader of the Union of the Democratic Centre (the main opposition party), said in a written statement today that the American Government's action dictated a revision of Greece's foreign policy and the creation of a solid internal front.

Mr. Mavros, who was briefed by Premier Constantine Karamanlis last night, said that the removal of Cyprus as an element in U.S. military and economic aid to Turkey will make Ankara more intransigent on the Cyprus issue.

He said that the urgent and substantial build-up of the Turkish arsenal constitutes a barefaced encouragement of Turkey's aggressive policies. He said that the United States, which purported to be the champion of peace and people's freedom, has ditched UN resolutions on Cyprus for the sake of alleged *short-term strategic objectives.*

Mr. Andreas Papandreou, leader of the Panhellenic Socialist movement, urged the Government to put an end to illusions that the U.S. was a friendly country or that Nato affords any protection to Greece.

Clerides 'very bitter'

BY OUR OWN CORRESPONDENT NICOSIA, March 31.

THE POSITION of Mr. Glafkos Clerides as chief Greek Cypriot negotiator was still unclear today following his walkout from a *joint session of the Cabinet* and the National Council late last night.

Mr. Clerides avoided during the day making any statement to clarify the situation and sources close to his "Unified Party" said he felt very bitter about efforts by some Makarios supporters to undermine his position as *negotiator and chief* adviser to the President, which he saw as amounting to a "conspiracy" against him.

Mr. Clerides left the meeting after some Cabinet Ministers insisted on raising the question of the reported "leak" of the Greek Cypriot peace proposals to the Turkish side, without Makarios' consent.

Recent Press reports claimed Clerides himself had handed over a copy of the draft proposals on March 24—ten days in advance of the deadline for the exchange of written proposals between the two sides. Mr. Clerides had issued denials through the Press.

Mr. Clerides walked out of the meeting saying he felt personally offended by this discussion. He hinted he did not wish to have anything more to do with the intercommunal talks.

Austrian business doubt

BY PAUL LENDVAI VIENNA, March 31.

SPOKESMEN of the Austrian business community issued strong warnings against alleged plans of Chancellor Kreisky's Socialist Government concerning public control over large segments of the private industry and business in general. The setting up of a so-called Industry Commission, incorporating key Cabinet Ministers, representatives of the unions, chambers of commerce, farmers, leading *banks and of OIAG, the holding* company for the nationalised industries this week, is regarded by many industrialists as an ominous sign of growing government intervention.

It is not the much-needed redeployment of capacities or mergers of small firms which is criticised or feared, but the trend towards switching decision-making from company level to the newly-constituted Industry *Commission.*

In a statement issued yesterday, the Chamber of Federal Economy voiced "serious reservations" against further encroachment upon the market economy. In particular, the Chamber sharply rejected any widening of the competences of OIAG.

Following Socialist suggestions for "better co-ordination" of investments and production plans of nationalised firms on the one hand and the companies subject to the control of the two leading banks, Creditanstalt and Laenderbank, on the other, economic commentators raised *the question of an indirect* nationalisation of the few remaining privately-owned companies such as Steyr, the motor concern, or Semperit, the rubber producer. Though both belong to the concern of the Creditanstalt which in turn is majority controlled by the Federal State, these and many other medium-sized industrial holdings of the Bank have so far continued to operate independently. With the entire steel, oil and large segments of the electrical and heavy engineering industries already nationalised, the new Industry *Commission is regarded by the* Chamber of Economy as a subject of considerable concern.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

HOME NEWS

Tanker owners warned over bank assistance

BY JOHN WYLES, SHIPPING CORRESPONDENT

SHIPOWNERS IN financial difficulties because of the world tanker surplus were given a blunt warning yesterday by a leading international banker that banks' agreement to debt restructuring and general financial assistance cannot be taken for granted.

In one of the most outspoken comments by a banker on the present financial crisis affecting tanker owners, Mr. Michael Revell, vice-president of Midland Marine Bank, said many banks involved in ship financing now felt that "they are sitting on a time bomb with the fuse beginning to burn at an ever-increasing rate."

He was speaking at a conference in London on Money and Ships 1976, organised by Seatrade Magazine, which also heard from other speakers the first optimistic notes on the medium-term future for tanker owners to be struck since the depth of the industry's crisis became apparent last year.

Emphasising that banks' attitudes to ship financing had soured, Mr. Revell said that the side effects of the shipping recession were only now beginning to be felt on the international banking circuit. At the moment, write-offs for ships loans were "almost nil" since loans to the shipping industry are probably now at the stage where real estate investment trusts in the U.S. and U.K. property loans were 18 months ago.

On tanker debts, Mr. Revell estimated that \$35bn. (18.2bn.) was outstanding but the slump in tanker asset values meant that this was secured to the value of only \$25bn. (13bn.).

He stressed the enormous problems a shipping bankruptcy posed for creditor banks, a point made earlier by Mr. Otto Norland, executive director of Hambros Bank, who thought most creditors were reluctant to embark on the alternative to a holding operation.

Chemicals industry recovery shows signs of continuing

BY RHYS DAVID, CHEMICALS CORRESPONDENT

THE RECOVERY by Britain's chemical industry which began at the end of last year has shown strong signs of continuing in the first few months of this year, the Chemical Industries Association reports in its quarterly economic bulletin.

Activity was substantially up in December over November and, in the fourth quarter as a whole, output rose by 4.6 per cent. over the previous three months, and by about 7.6 per cent. over the second quarter of last year.

The recovery has helped the industry to record over the year a smaller fall than seemed likely, of some 8.4 per cent. on 1974. This compares with a 13 per cent. decline in Germany and a 15.5 per cent. fall in France.

The association says, however, that although the improvement has continued into this year, there could now be some slowing down in the rate of recovery to match the relatively slow growth expected in the U.K. economy as a whole in 1976.

The improvement in the home market in the last few months was attributed to the ending of the destocking process, some restocking, and purchasing in advance of expected price increases.

The next stage could be a period of stabilisation, or even slipping back as the market situation was consolidated and end user industries caught up before a resumption of growth in the second half of the year.

Export markets had also been on a rising trend since September and finished last year around 1.5 per cent. up on 1974 in value, though about 15 per cent. down in volume.

Imports rose sharply in the final quarter of last year, reflecting the increased demand from industry, but over the year as a whole were down about 11 per cent. in value.

Plasterboard users can now get direct supplies

FINANCIAL TIMES REPORTER

MAJOR users of plasterboard will now be able to receive supplies directly from the sole U.K. manufacturers, BPB Industries. This follows a Monopolies Commission recommendation in January last year that BPB, which sells plasterboard through its subsidiary, British Gypsum, should allow any user who wished to buy direct from the company to do so on the same terms as builders' merchants.

At the time of the publication of the Monopolies Commission report on the plasterboard market, the Government accepted the Commission's recommendations in principle. But yesterday, Mrs. Shirley Williams, Secretary for Prices, said that though the report's findings were "soundly based," she was only implementing one part of the Commission's recommendations for the time being.

The Commission recommended that BPB Industries should abandon its system of uniform delivered prices and allow collection by any user of plasterboard from the works at the ex-works price plus a reasonable loading charge. It also recommended that major users of plasterboard should be able to receive supplies directly from BPB Industries.

BPB argued at the time of the report that abandoning its system of uniform delivered prices would result in higher prices. The Government appears to have accepted this view

Wilson opens Express building

MR. HAROLD WILSON yesterday opened Aitken House part of an £8m. Fleet Street investment by Beaverbrook Newspapers, and recalled his "I forgive you all" comment to the Press made when he announced his resignation.

"I have said in public that I forgive the Press and confirmed it in Parliament—and the Press is well on the road to forgiving me," he said. "My own statement was designed to include even the Sunday Express, than which Christian forgiveness could go no further."

A ducat to stop the rot

BY PETER HENNESSY

PROFESSOR Friedrich von Hayek, the Austrian economist and Nobel Prize winner, unveiled at the House of Commons yesterday a revolutionary plan to reverse the thousand-year debasement of national currencies. He wants private enterprise to take over the printing of money.

Launching the Campaign for Alternative Money, he said he would like to see a reputable Swiss bank announcing its intention to issue a ducat, equivalent in value to two Swiss francs, two U.S. dollars or two D-marks.

The purchasing power of the new currency would be guaranteed against depreciation and its quantity strictly limited.

Should half a dozen of the world's leading finance houses take up the idea, inflation would be halted forthwith.

Then came the rub. Finance Ministers, he added, would never countenance the loss of State power this would involve.

As an interim step he offered a practical proposal that could be implemented speedily. Citizens of the EEC should be permitted to hold their assets in any of the nine currencies of the member States. Governments would swiftly have to match the monetary probity of the West Germans or risk disaster.

Prof. von Hayek, who is 76, threw in a final appetiser. Should private enterprise win the day, it would rid the countries of the Western world of their swollen bureaucracies.

Lager lower

In an unusual move, Grand Metropolitan group to-day cuts the wholesale price of Carlsberg lager though the retail price in its pubs will not change.

Press Awards announced

MR. JON SWAIN, of the Sunday Times, has been voted Journalist of the Year in the British Press Awards for 1975 organised by Mirror Group Newspapers and Times Newspapers.

The award, which carries a prize of £500, was made for his coverage of the fall of Phnom Penh.

Mr. David Watt, of the Financial Times, was commended in the Columnist of the Year category, won by Mr. Ian Wooldridge of the Daily Mail.

Other prizewinners were—International Repo[rter of the] Year: Mr. Martin W[...] Guardian; Young J[ournalist]: Melanie Phillips, [...] Echo, Hemel Hemp[stead; Spe]cial Journalist: Ms. [...]ton, Echo, Sunde[rland; ...] Reporter: Mr. Jo[...] Daily Mail; Critic[: ...] Allen, Morning [Telegraph,] Sheffield; Specialist[: Mr.] Andrew Alexander[...] Sports Writer: Mr. [...] The Guardian; [...] Journalist: Ms. Mar[...] day People, and Mr [...] Yorkshire Post.

The Ro[yal] Commi[ssion] on the I[...]

PROFESSOR O. R. [...] the chairman of th[e Com]mission on the Pr[ess] issued a stateme[nt] criticisms made in [...] newspapers conc[erning] statistics of earn[ings in the] Royal Commissio[n] Report.

The FT omitted [...] that senior journ[alists in the] group were paid [...] £360.50 per week [...] year) on the grou[nd] figure appeared to [...] tively wrong or c[...] basis which in the [...] a totally misleadin[g...]

The Commission [...] informed the Fin[ancial Times] that "in the case [...] paid group of edit[orial] figure does not rel[ate to] workers employe[d in that] category but on the '[...]' by the house in q[...] a very small gro[up] classified separatel[y] basis . . . If the [earn]ings for all senior [...] are computed [...] paid title, the fig[ure is] £240 per week."

The Financial Ti[mes] that this would be [...] basis for compari[son] figure of £240 per [...] the highest paid [...] duction workers.

Professor McGr[egor] agree. He commen[...] ment did not chang[e ...] £360.50 and was no[...] Financial Times a[...] for it.

"The further ass[ertion by the] FT that 'the sta[tement of the] Royal Commission [...]tively admits that [...] £360.50 a week pr[esents a dis]torted picture' [...] 'the figure of £18,75[...] of comparison sh[...] Royal Commission [...] read £12,500' [...] both wrong."

Professor McGr[egor fur]ther pointed out [...] mission itself did [...] comparison betwe[en] figures, and would [...] difficult to draw an[y] from figures whi[ch] only the extreme [...] of, on the one h[and] tightly structured g[roup of pro]duction workers, [...] other a widely di[...] including senior e[xecu]tives.

It therefore app[...] FT and the Roya[l ...] are agreed that it [...] cult to draw any [...] conclusions from [...] figures for maximu[m] production and edi[torial ...] given in the interi[m ...] the Financial Ti[mes ...] tainly not question [...] of the Commiss[ion ...] though there is cle[ar] dispute about thei[r ...]

Professor McGre[gor said:] "I am disappointed [...] discussion of th[is] part of the interi[m ...] aimed to generat[e more heat] than light."

● NEWS ANALYSIS—CUBITTS

Tarmac's new roads holdi[ng]

BY MICHAEL CASSELL

THE ACQUISITION of Holland, Hannen & Cubitts by Tarmac — news of which leaked out before yesterday's official announcement, prompting the suspension of dealings in Cubitt's shares — will not mean the end of a name which has been associated with building in the U.K. for nearly 200 years.

As Mr. Bill Francis, vice-chairman of Tarmac, emphasised yesterday his company was basically buying goodwill and there was plenty of that surrounding Holland, Hannen & Cubitts.

"The last thing we intend to do is sacrifice a name which has, over many years, built up for itself a sound reputation in the building world.

"In accordance with group policy, we intend to retain for our new acquisition its own special identity. Our objective has been not only to attain a depth of competent management, but a valuable product name and in this move we have both."

Tarmac, which embraces a wide range of trading operations throughout the world from roadstone quarrying, housebuilding and civil engineering to property development and the manufacture of bitumen products, has been looking for the chance to take over a national builder with a heavy commitment in the South-East — an area which provides for about one-third of all commercial building work in the U.K.

Such an acquisition has been a strategic consideration of Tarmac since 1971 and several builders have been approached since that time. Holland, Hannen & Cubitts was first approached about three years ago, but the talks failed.

Tarmac has, in the past, taken several ailing operations under

To me, from you. Tarmac's vice-chairman, Mr. Bill Francis (standing), announces in London yesterday that his company has taken over Holland, Hannen & Cubitts from Drake & Cubitt, whose chairman, Mr. Mike Abbott, sits on his left.

its wing and its interest in Holland, Hannen & Cubitts was, no doubt, reawakened by recent difficulties in which the company found itself.

Well-publicised troubles on a road contract for the Greater London Council led to losses estimated at £5.7m. and, after failing to get financial help from the Government last year, the company enlisted the aid of the Department of the Environment in trying to bring in all outstanding claims on public authority clients.

Negotiations concerning the GLC road contract are continuing but, as if a further blow was needed, Drake & Cubitt was faced with a £1m. compensation payment to the London Borough of Kensington and Chelsea over its ill-fated World's End housing development.

It became clear that, as Mr. Francis put it yesterday, Holland, Hannen & Cubitts had taken on the type of contract which it was simply not suited to tackle. In future, the company would concentrate more on the traditional building operation, leaving civil engineering operations to Tarmac Construction.

Holland, Hannen & Cubitts went public in June 1959. After a patchy period of profits and losses, during which the company developed substantial property interests and expanded overseas operations—the latter with some notable failures—it merged in 1969 with mechanical and electrical engineers, Drake & Gorham, Scull.

In 1972, Mr. Robert Potel, the successful property developer, joined the Drake & Cubitt Board and in the fo[llowing year] became chairman, a [post] time held by M[r. ...] Rippon, a former Minister.

Mr. Potel was the [...] Star (Great Brit[ain] under its present English Property C[orporation,] one of the country's [big]gest property group[s ...] signed after a Board[room ...] in 1971.

Soon afterwards, [he] joined with London [...] Securities, the secon[d ...]ing group of which [...] deputy chairman, in [...] Drake & Cubitt [...] a 22.5 per cent. stak[e] between Mr. Potel a[nd ...] & County.

After the L & C f[...] thought that its [...] mainly acquired by [in]terests associated [...] Heuze, Malever [...] plant and machiner[y ...] in which Drake & C[ubitt ...] majority holding. A[...] of the last accounts, [it] still had his holding.

For Tarmac, the acq[uisition of] Holland Hannen [& Cubitts] provides another boost [...] diately offering furthe[r] involvement in overse[as ...] a development which [...] suit a company that h[as] intensified its efforts [in] its international prese[nce].

Cubitts will give it [addi]tional £30m. a year in turnover to add to th[e] figure of about £100m [...] accounted for abroad.

Tarmac has fixed as[...]ments in France and [...] and is also becoming n[...]mitted in the developm[ent] of the Middle East an[d] Cubitts operates in Iberia and New Zeala[nd].

هكذا صدر الأصل

kney approves ger oil site

AFTER, ENERGY CORRESPONDENT

l group has been in principle to extension to its sea oil terminal at y.

Isles Council has planning permission granted for the expan- is needed to handle he group's Claymore application has been o the Government for

phase of the Flotta should be completed n in time to handle pipeline deliveries of n Occidental's Piper 500,000-barrel storage been installed on the l two further tanks, a capacity of 1m. ll be added under the scheme.

al, which also includes Thomson Scottish and Allied Chemical, d to take delivery of al facilities.

of £600m. is being developing Piper and Oil will be pumped 130-mile pipeline to al from where it will d to refineries after

rt of Piper production a significant step in opment of the North s estimated the field 50m. to 800m. barrels able oil. Nearby Clay- e to start producing has about 355m. bar- overable reserves.

The pipeline has a design capacity of 560,000 barrels a day, which means that there is spare capacity. Texaco has discussed the possibility of using the pipeline if its discoveries on blocks 15/16 and 14/20 prove commercial.

There is still a good deal of interest in the sector round the Piper and Claymore fields. Texaco has two rigs on block 15/16 and one on 14/20.

The Flotta terminal is several months behind schedule—mainly because of bad weather and the problems of developing a fairly remote island site—but Occidental says it has not met with delays experienced by oil companies at Sullom Voe in Shetland.

Oil companies there are at odds with the local council over whether storage tanks should be sunk underground.

On Flotta, the 48 foot high tanks have been situated to blend with the contours of the island. If a terminal is built on nearby Hoy, underground storage might be demanded.

The local authority Orkney Structure Plan suggests that three or four oil terminals might be built in the area including one, or possibly two, on Hoy.

The Orkney Council expects to raise at least £200,000 a year from the Piper/Claymore venture. The money will probably be invested in a development fund, aimed at bringing long-term economic benefits to Orkney.

Offshore boost for industry

By Chris Baur, Scottish Correspondent

BRITISH INDUSTRY significantly improved its share of the U.K. offshore oil and gas market last year, according to estimates now being finalised by the Department of Energy's Offshore Supplies Office in Glasgow.

The OSO figures will be published in May-June and are expected to show that during 1975, U.K. companies won a 50 per cent. share of a market valued at £1.3bn.-£1.5bn. This compares with their 40 per cent. share of a market valued at £1.3bn. in 1974.

If the sectors of the offshore market in which British companies have little or no capability are excluded, the share is likely to be between 68-70 per cent., compared with 55 per cent. in 1974.

It is felt that the 1974 estimates of market share—the first to be made—were to some extent "distorted" by the fact that the U.K. lost 63 per cent. by value of the orders for concrete production platforms, because of shortages of domestic building capacity.

Mr. Anthony Wedgwood Benn, Energy Secretary, referred to this dearth of platform orders, in Glasgow yesterday, when he started a three-day tour of Scottish energy sites.

He said he saw no immediate solution to what he called "this dangerous and difficult" delay in oil companies' development programmes.

Building societies have doubts on mortgage rebates

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

SEVERAL of the largest building societies last night poured cold water on suggestion that they might decide on a mortgage rebate scheme rather than a cut in investment rates when they meet next week.

It now, in any case, appears possible that societies, which have given an undertaking to review their current interest rates next Friday, will decide to postpone any final decision for a further month. The feeling among some society executives is that by the time of the meeting, three days after the Budget, the movement will not have had time to assess possible repercussions on their business for the remainder of the year.

The rebate scheme has become a topic for discussion in recent weeks because societies see it as one way to avoid the costly procedure of rate changes, which they believe may again be necessary in a few months. The basic scheme would allow societies to leave the mortgage rate at 11 per cent. but the borrower would be credited at some stage to take account of any over-debiting which would arise from an announced but not implemented reduction in the mortgage rate.

A borrower with a £10,000 loan over 25 years, now paying £99 a month, would still pay the same amount if the rate was reduced to 10.5 per cent., but he would be due for payment of £3.60 a month, either directly by cheque or into a rebate account.

The rebate scheme has been used before and societies are studying its practicality in advance of next week's meeting. Several executives of major societies do not, however, believe that the scheme will be adopted because of administrative complications involved and the fact that borrowers will expect immediate benefit, if any reduction in rates is made. The rebate scheme could further reduce the borrower's saving because of tax liabilities.

Fire damage down by £1.9m.

By Eric Short

THE COST of fire damage in Great Britain in February fell by £1.9m. to £15.6m. from January's level, according to figures issued by the British Insurance Association yesterday.

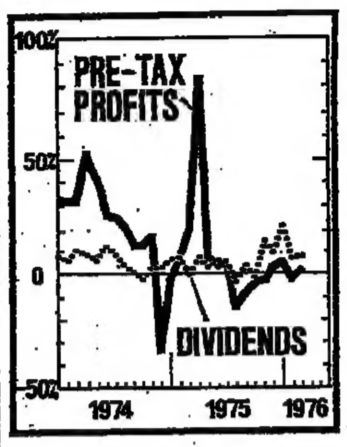
This value was £2.3m. above that of February last year, with total fire damage for the 12-month period to February amounting to £220.7m. (£239.2m. for the previous 12-months).

Hoover lifts profit level in March

By Alan Hills

THE 85 companies that published full accounts in March produced an overall improvement of 2.2 per cent. in pre-tax profits compared with their figures of a year ago.

This follows a setback of 1.9 per cent. in profits published in February but a rise of 5.9 per cent. in January's figures.



The main factor contributing to the latest improvement was a strong earnings recovery of 284 per cent. to £18.9m. by Hoover. Last year the company's profits were particularly depressed at £4.9m. by the severe effect of the three-day working week in the early stages of the year and crippling strikes later.

Dividends in March showed an improvement of 8.6 per cent. compared with a year ago

Edinburgh-Heathrow shuttle goes ahead

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS European division starts its Edinburgh-Heathrow Shuttle (no-reservations) service to-day, in spite of an industrial dispute that has delayed the use of Edinburgh Airport's new £5m. runway.

The Trident Three jets will use the existing runway. If cross-winds make the situation difficult, they will continue to operate, but with reduced payloads.

Yesterday's crosswinds and unavailability of the new runway obliged several flights to be diverted to Glasgow, involving some 500 passengers.

The new runway has greater length (2,560 metres) an improved alignment east to west and better landing aids, and has capacity for a big increase in services.

While it is hoped diversions are now a thing of the past, the industrial dispute, involving firemen members of the Transport and General Workers' Union, is likely to affect some traffic for a while.

The dispute stems from the firemen's desire to see more long-haul inter-continental traffic channelled through Edinburgh at night, instead of the airport being closed at midnight to minimise noise nuisance.

The British Airports Authority, however, has pointed out that Edinburgh is primarily intended as a short-to-medium-haul domestic and international airport, with all long-haul services being routed through Prestwick, where they have traditionally been handled.

To route some through Edinburgh would not only be difficult, because of disruption to airlines' arrangements, but would also mean some redundancies at Prestwick.

Brick production falls

BY OUR BUILDING CORRESPONDENT

BRICK PRODUCTION in February fell from the January level, according to provisional figures from the Department of the Environment.

Output totalled 415m. bricks against 438m. in the previous month and 400m. a year earlier. Deliveries dropped from 430m. in January to 403m. In February last year they reached 396m.

At the end of February, brick stocks held in Great Britain stood at 521m., 11m. more than in the preceding month but 433m. less than in February 1975.

Cement deliveries to the home market in February reached a weekly average of 273,000 tonnes against 269,000 tonnes in January and 316,000 tonnes a year before. Production averaged 282,000 tonnes a week, a rise of 25,000 tonnes from January but a reduction of 30,000 tonnes from February last year.

rdict likely to-day Selby coal plan

HARGREAVES, INDUSTRIAL STAFF

LBY, Yorkshire, coal- ject is expected to lanning permission to- months after a public nto the National Coal 250m. proposals.

h there has never been doubt that Mr. Anthony the Environment would block the de- of Europe's largest e, there will be satis- the Coal Board when r of planning consent

rek Ezra, chairman of Board, yesterday gave hint that a decision on was imminent. He d the project as unique "crucial plan for the f the industry."

ng after an inspection k Mill Colliery, near , he said that if com- y priced, coal would help Britain become a net exporter of energy in the 1980s and would, along with nuclear power, provide the key to Britain's energy needs in the 1990s.

Selby will play a vital part in filling the energy gap. The Coal Board has always said that it would be on site within 24 hours of planning permission and that coal would be produced in under four years. By the mid-1980s, production is expected to reach 2m. tons a year, rising to an eventual 10m. tons—a quarter of the total target suggested in the Board's ambitious Plan for Coal. About 4,000 men will be employed at Selby.

The attention of the Coal Board will now turn to the conditions laid down by Mr. Crosland. These are expected to include stringent clauses designed to protect the Selby countryside, which is largely agricultural.

aming Board concerned er mechanised bingo

ICHAEL THOMPSON-NOEL

gambling and bingo appear to have stabi- er recent steady growth, ing Board's report for ted yesterday. Britain casinos and approxi- ,675 bingo clubs.

oard says that the esti- tal drop (the money ex- for chips) in casinos in was about £351m., com- th £297m. the previous e market continues to be d by the London which account for 72 of total turnover, and ber of casino club mem- ut at under 300,000.

port expresses increas- ern over the develop- f "mechanised cash which speeds up play up to 40 games can be completed in 45 minutes. The trend, says the Board could disrupt the neighbourly character of bingo and transform it into a fast moving—possibly addictive—game of chance.

The report welcomes the appointment of a Royal Commission on Gambling under the chairmanship of Lord Rothschild. The Commission, says the Board, will investigate many of the matters to which the Gaming Board itself has referred in previous reports.

These include the many differences in the laws governing different types of gambling, and what the Board describes as the growing commercial interconnection between various forms of gambling as a result of the emergence of "gambling conglomerates."

a to free pensions from ti-inflation measures

IC SHORT

S TO the Government pension improvements anti-inflation measures de yesterday by two t people in the pensions

Mr. Ron Peel, chief of Legal and General e Society, the biggest group in the U.K., said mments on the group's esults, that the Employ- retary must, as a matter cy, name an early date ich pension negotiations exempt from any anti- measures.

Peel pointed out that straints were preventing s and employees from the most suitable sation of their pension to meet the require- the Social Security Pen- ct 1975. Such delays, could damage the ment of pension provision and the measures themselves overlooked the important part that pension schemes played in countering inflation and supporting industrial development.

Mr. Douglas Smee, president of the Society of Pension Consultants, said at yesterday's annual general meeting that consultants were facing considerable problems in discussing the future of pension schemes with employers because of the decision to include the further development of pensions within the anti-inflation measures as laid down by the Remuneration, Charges and Grants Act. A joint submission had been made by the pensions industry working party to the Government to free pensions business completely and it was hoped to have a meeting with Government officials shortly.

Fare n go-ahead wo stores

nor Goodman

FARE, the Associated Foods supermarket sub- which this week opened st store at Hyde, outside ster—has been given permission to develop superstores.

argest of the two will be entre of Falkirk and have lling area of 42,000 square It will form part of a opping centre which will lude nine shop units.

second site is in the Hill- arket covered shopping in Bearsden, Glasgow.

Long-range weather

Mainly dry April likely

● AFTER AN unsettled start with rain at times, April is expected to be mainly dry, with settled weather predominating, the Meteorological Office said yesterday. Mean temperatures will probably be about average in Scotland, Northern Ireland and north-west parts of England and Wales, but below average elsewhere.

Rainfall totals are expected to be near average in Northern Ireland and Western Britain, but below average in Central and Eastern Britain.

About average sunshine is likely, but more frosts than usual are probable in most districts.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Receives pictures at sea

REALISING that the company has not been making the mark it should in terms of marine facsimile installations, particularly in the key Japanese and Norwegian ship-owner markets, Muirhead is now offering new equipment tailored to the application.

At the same time the company hopes to make ship-borne facsimile attractive to the more reluctant owners, including the British, with a price reduction to about one third of its previous marine-usable equipment. Physical volume is also reduced by about one half.

The complete system, consisting of a recorder, a newly designed radio receiver and a facsimile transmitter, costs about £3,700.

An interesting feature is that the recorder can operate at the World Meteorological Organisation scanning speeds of 60, 90 or 120 revs per minute, and also at 180 or 240 revs per minute for news and document reception.

Selection is automatic, the receiver recognising the appropriate signals, and scanning density is also adjusted automatically to suit the material being sent. Electrostatic recording is used, producing a high standard of definition.

It is possible to purchase the recorder on its own, with a 12-channel, pre-tuned radio, or with a continuous coverage semi-synthesised radio.

The picture transmitter used is a version of the company's K400, and it also occupies a relatively small amount of bench space. Its output is fed via a synchronising unit to the ship's transmitter radio and can send documents up to 22 cm wide of unlimited length.

As independent transmitter and receiver are employed the system is always ready to send and priority messages are not interrupted, provided duplex working is employed.

Weather map reception remains the prime reason for this kind of installation, with the prospect of avoiding storms, saving fuel and time, and preventing damage to cargo.

However in recent years the exchange of commercial documents and engineering drawings, emergency and routine maintenance at sea and welfare applications such as the production of ship's newspapers are all becoming more commonplace. The Norwegian PTT for example now operates a marine radio news facsimile broadcast daily and the Japanese have a similar service in Far Eastern waters.

GEOFFREY CHARLISH

Design task for Pye

MINISTRY of Defence (Procurement Executive) has designated Advance Development Division of Pye TMC to design and develop an IF filter unit for communications receivers. This is the second contract awarded to Pye TMC for RAF Farnborough.

The contract is valued at over £120,000 and calls for high versatility in the choice of filter characteristics. To meet this demand the unit will incorporate a digital filter capable of operating at 300,000 samples/second and having a dynamic range of 60 dB. The unit will be built almost entirely of custom designed circuits using four phase logic, and containing over 16,000 logic gates.

The unit will be packaged in a 19-inch rack mounting case containing its own power supply unit and will be used to investigate the advantages of digital filters, such as stability and programmability, in the IF section of communication receivers. The digital filter chips to be developed will extend the sampling rates available with monolithic digital filters by more than an order of magnitude.

Pye on 01-670 2211, Marsh Road, Dulwich.

● PACKAGING

Faster line for food pouches

FURTHER GROWTH in the use of laminated plastic pouches (sometimes referred to as "flexible cans") in which uncooked food is packed and sealed prior to cooking can be expected following the development by Metal Box of what the company describes as "the first automatic retort pouch packaging line available as an integrated unit."

Called Metapak, the demonstration line at the company's Perry Wood factory runs at speeds up to 100 packs/minute, bringing retort pouch filling, sealing and cartoning nearer the through-put attained by other food packaging methods.

The first part of the line fills the pouches with solids and liquid, seals them, and loads them into trays for the retort (pressure cooker).

A feature of the system is the post cooking handling of the pouches. They are automatically dried and vacuum transferred into pre-erected cartons which are then closed. The line is modular and can be expanded without problems. The equipment is available on lease over a 2 to 5 year period.

Metal Box believes that for the European and U.K. markets there is scope for the system in the packaging of fish and meat steaks, ready meals, vegetables, sauces and fruit desserts. Ease of handling by the consumer and long shelf life without refrigeration should recommend the method to the retail and catering trades.

Integrity of the retort pouch system is indicated by its use in Japan, where 18 food processing companies will produce 50m. packs this year.

To meet expected demand for Metapak pouches, Metal Box has invested over £400,000 in production facilities at Speke and Portsmouth to produce 120m. pouches a year.

System details from the company at Queens House, Forbury Road, Reading RG1 3JH (0734 581177).

Packaging directory

A CAUTIOUSLY optimistic 1976 is indicated for the U.K. packaging industry, says "Packaging Review" in its first directory and buyers' guide.

Last year all areas lost ground, reflecting the general economic position. However, with destocking at an end business is beginning to pick up and this year should show modest growth, says the journal. Overall the value of the U.K. packaging market was down by £28m in 1975.

The 250 page A4 size guide contains over 15,000 entries, and is claimed to be correct to the end of last month. It is believed to be the only comprehensive directory to the industry in the U.K. Computer typeset, the directory is now on tape, simplifying updating and reprinting.

It is divided into easily located sections: companies' names and addresses; equipment; containers and closures; materials; handling equipment; services; trade names; agencies; consultants; organisations; and the 1975 statistical survey.

Copies at £12 (post free) from IPC Business Press, 40 Bowling Green Lane, London EC1R 0NE (01-837 3636).

● HANDLING

Crane loads moved under water

ACCURATE positioning of crane loads on the seabed by remote control is possible with a system being developed in Norway by Myrens Verksted A/s, Bentsebrugaten 20, Oslo 4. Designed for use in the offshore industry, the company believes it should be particularly useful in places where guide wires or diver assistance either cannot be used, or are inadequate.

Myren Sub Sea Laterally Controlled Lifting Hook consists essentially of an electro-hydraulic power pack linked to three propellor thrusters mounted on a hook assembly with maximum lift capacity of 100 tonnes. The thrusters give the crane operator lateral and angular control of the load while vision is provided through searchlights and TV cameras also mounted on the hook unit.

The operator can control the load either directly, from a diving bell, or from a surface vessel using a new electronic control system designed by Norway's Central Institute for Industrial Research. Electric power and control signals are transmitted by cable from the surface.

Myren expects to market the system this summer, after final tests in the spring.

New design pressure pump

CLAIMED TO be the first major breakthrough in pump design in 25 years, the Hydra-Cell is a variable delivery pump capable of any flow from 1 gpm to 10 gpm, and working pressures up to 1,000 psi. It will handle almost any liquid or slurry at temperatures up to 200 deg.F.

In contrast to conventional piston pumps, the pump is stated to be quiet in operation, and to produce a smooth flow of liquid virtually free from pulsation. Elimination of wear-prone parts means a longer service life. Maintenance is minimal—for instance, no greasing is needed.

At the heart of the pump are three hydraulic cells each incorporating a flexible diaphragm separating hydraulic oil from the fluid to be pumped.

The hydraulic cells are pressurised by a three-cylinder axial piston pump. Oil pressure causes each diaphragm in turn to deflect, and transfers the pumping action to the fluid. A feature is that pressure differential is automatically held within a maximum of 2 psi. This means the diaphragm is always hydraulically supported and can be made of a supple material (Viton). Problems of hysteresis are also avoided.

There are no parts on the water side of the unit that require lubrication.

The pump can be run dry indefinitely, without risk of damage, and it is self-priming to 10ft. dry, says the maker.

Water inlet and outlet is through low-inertia valves, which are self-aligning, self-sealing and self-cleaning, and do not "beat out" their seats. There are no other moving parts on the water side of the unit.

At the hydraulic end of the pump, the moving parts are submerged in hydraulic oil. Timken bearings are used.

Volume of fluid pumped is controlled by varying the speed of the shaft. One frame size is designed to take various combinations of motors and pulleys.

The hydraulic end of the pump is common for all applications, but the pump head is produced in different materials to suit service conditions. Materials available include aluminium (coated with Ryton), bronze alloy and stainless steels (302 and 316).

The pump was developed by Wanner Engineering Inc., Minneapolis, Minnesota, U.S., and is marketed in the U.K. and Europe by C.T. (London), Hobart Place, London, SW1V 0HW (01-235 1304).

Lifts men high to work

HEIGHTS UP to 16 metres (5? feet) can be reached with a mobile hydraulic platform introduced by G. Hunter (London), Gumley Road, Grays, Essex (037? 5155).

Called Topper Super 4, its off-centre construction enables the platform to reach full height on a 4 x 4 metre base (including extended outriggers), to reach forward of the outriggers, and to provide a degree of horizontal travel.

Capable of swivelling through 180 deg., the platform is large enough to carry two men and tools to a weight of 225 kg. Raise and lower control switches must be kept depressed for movement and a manual relief valve on the pump unit can be used to lower the platform if there is an electrical failure.

If there is a hose failure, restrictor valves in the base of each ram ensure a safe platform descent. The unit is mounted on castors.

● METALWORKING

Japanese automatic miller

FOURTEEN automatic cycles can be programmed on the Japanese Hamai 4 MP horizontal production milling machine. The cycles include variants of pendulum milling in which one side of the table is loaded or unloaded while cutting is in progress on the other. Each cycle at either end of the table has to be initiated by the operator.

Table length is 2,000 mm and maximum travel is 1,200 mm. Three versions can be built around the basic bed assembly—horizontal, vertical and duplex production milling machines. All have some form of cutter relief attachment which withdraws the tool prior to rapid return, eliminating toolmarks across the component.

Milling heads can be powered by 7.5 or 15 h.p. motors, with 12 spindle speeds ranging from 58 to 1,200 r.p.m. Automatic cycles are set on trip dogs—for setting, controls on the front panel over-ride the dogs. A 2 h.p motor powers feed and rapid traverse.

Elgar Machine Tool Co., Bec House, Victoria Road, London NW10 6NY (01-965 8911) market the machines in the U.K.

Boring service

HOLES UP to 30 inches deep and up to 4 inches diameter can be bored in components up to 82 inches long and 8 inches diameter on a machine developed by Vern Precision Engineering, South Mill Road, Regents Park, Southampton (0703 771061).

Offered as a service facility, the machine, which is based on a centre lathe, is stated to achieve bores parallel to ±0.001 inch and straight to 0.002 inch per foot with a surface finish to 64 micro-inches.

In addition the company offers a honing service for bores ½ to 16 inches diameter and a maximum length of 4 feet, to a surface finish of 4 to 16 micro-inches (depending on material).

● PRINTING

Low cost instant lettering

READY to use display lettering in a variety of typefaces and sizes from 14 to 72 point can be produced on the Promat headliner. The letters are dispensed on a polyester two layer film strip, making a positive and a negative image available simultaneously.

The image can be in black on a clear background or in opaque white on a black background. The system is non-photographic, using a dry thermal imaging technique to give instant output.

Operation of the desk-top equipment is stated to be simple and requires no warm up, focusing or other adjustment. The film cartridge is inserted and the selected font placed on the machine. Letters are dialled by rotating the font, and imaged on the film by depressing an arm carrying a xenon lamp which flashes when the arm is operated.

Cartridges contain 100 feet of film, providing a foot of positive and negative lettering for about 12p. The font of 90 alpha-numeric and punctuation characters is a thin copper disc inside a tough polyester sandwich, and with reasonable care should last indefinitely. The xenon lamp has an expected life of about 0.5m. flashes.

Characters are automatically aligned, while spacing is at the discretion of the operator which allows him to select condensed, normal or expanded lettering.

Applications include camera-ready headlines, titling for documents, transparencies for overhead projectors, production of artwork for screen printing or photography, and titles for film and television. If unusual sizes, symbols or characters are required, special fonts can be made. Special effects can be created using 3M's Color-Key system which provides titling of any required colour or background.

The Promat system—which retails at about £900 excluding VAT—is marketed by Recording Materials Division, 3M United Kingdom, 3M House, Wigmore Street, London W1A 1ET (01-486 5522).

● MATERIALS

Big ropes will take the strain

SOME OF the largest man-made fibre ropes ever produced in Britain will shortly be marketed by British Ropes.

Made in nylon, on new plant installed by its associate company, Bridon Fibres & Plastics, the 30-inch circumference "Viking Braidline" rope will have a breaking load of around 1,200 tons. Even larger sizes will eventually be available, says the company.

The rope, for use as tanker and bulk carrier moorings at single point mooring buoys where super tankers load and discharge, is really two ropes in one—a braided sheath over a braided core. Together they make a rope that is stronger than the usual three or eight strand types in the same materials.

● DATA PROCESSING

Simple tape converter

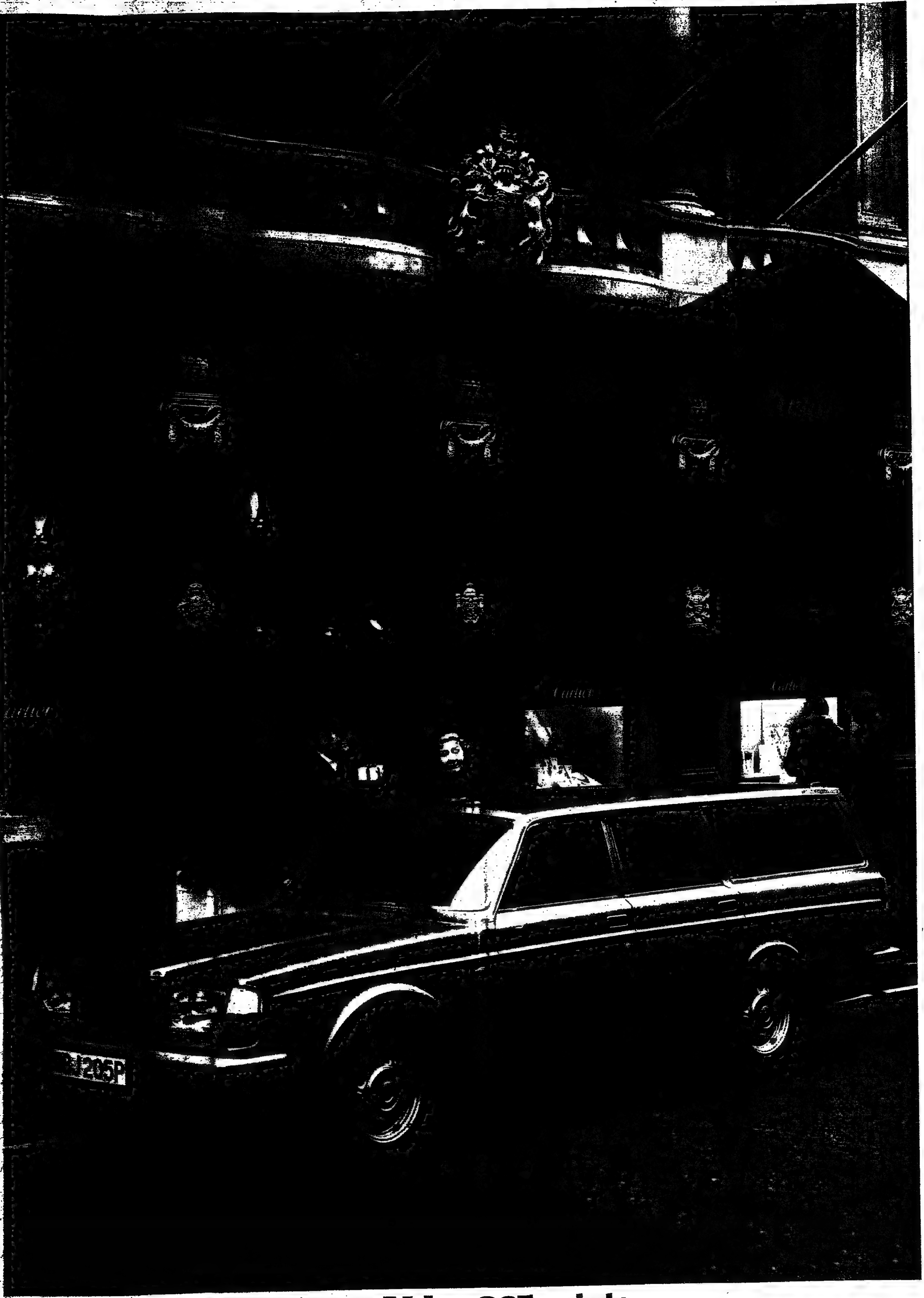
TRANSDATA HAS a new machine tool control terminal for engineering companies who use time-sharing services for the development of machine-tool control program tapes.

Before the introduction of the 301 terminal, such companies were not able to use the paper tape produced on their time-sharing terminal as this was in ASCII code and machine tool control systems use the EIA standard code. They, therefore had to take the hard copy from the time-sharing terminal and recreate a paper tape in EIA code. This operation often introduced expensive errors into the system.

The 301 eliminates the problem by communicating with the time-sharing service in ASCII code and on receiving data back from the time-sharing service punches the information direct into EIA code.

Transdata, Solent Road, Havant. Havant 6556.

By courtesy of Cartier Ltd, 175 New Bond Street and Cartier Boutique, 20 Albemarle Street.



PARLIAMENT

University planning hinges on economy

THE GOVERNMENT would return to longer-term planning of university expenditure once the general economic situation improved, *Lord Donaldson of* Kingsbridge the Under Secretary, Northern Ireland, assured the House of Lords yesterday.

Speaking in a debate on the universities he said the Government was aware of the importance of restoring the quinquennial system.

"Grants for the past two years were revised when student numbers fell below expected levels and, therefore, the universities have had what amounts to annual grants for two years," he said.

Not stingy

"We acknowledge that there is an element of uncertainty here, but this system must continue until the general economic situation improves."

Lord Donaldson said he accepted that universities had had to bear economies in the fight against inflation, but their share in education expenditure was second in the Government's expenditure league table and therefore, certainly not stingy. Recurrent grants to the universities this year totalled £581m.

"Even in 1979-80—expected to be the tightest year—resources for education are up by almost 20 per cent. in real terms on 1970-71."

He warned that there would be little money for buildings over the next few years and staff-student ratios were likely to worsen. Also there were difficulties caused by the freezing of some 500 academic posts.

On overseas student fees, Lord Donaldson said these were under review and the Government had not yet reached its final conclusions. "Whatever decisions are made we must aim to preserve the most, and destroy the least, of what is good in the present arrangements."

Injustice

Lord Donaldson concluded. "There will surely be hard times ahead, but hard or not our universities have a tremendous future and the Government is determined to preserve their pre-eminence.

From the Opposition Front Bench, Lord Sandford, the Conservative spokesman on Education and Science, said there was a sharp sense of injustice over the way in which the Houghton pay award had been applied.

"If the Minister could give a commitment to re-establish quinquennial *funding and eliminate* pay anomalies as circumstances permit, this would help a great deal."

Earlier in opening the debate, Lord Fulton said the allocation of funds to universities had been insufficient to keep pace with inflation. Therefore, the personal funds of university members and the quality of the service they provided was being threatened.

Lord Fulton emphasised that universities should strive to teach without indoctrinating. They were also expected to place a high priority on the undergraduate. He added: "We should continue to ask the universities *to be one of the main bridges* across the generations."

Anxieties

From the Liberal front bench, Baroness Seear said that, although she did not suggest there was a danger of a political *take-over by bureaucrats of the* universities, there was "a danger of continuing encroachment—undertaken with the best of intentions, but which erodes the task the universities have to do."

She emphasised: "Universities must stand apart from the day-to-day political anxieties."

Lord Robbins said of university students: "In spite of the antics of a small handful of rebels, 50 per cent. of whom will no doubt grow up to be decent, respectable citizens, there can be no hesitation in saying that the general quality has been sustained."

Referring to students who arrive unprepared at universities, Lord Robbins said that, with the expansion of universities, "there has been swept in a certain number of people who are appropriately qualified, but without much idea of what a university is about and the atmosphere they are likely to *encounter there*."

Baroness Lee of Asheridge (Lab.), former Labour Minister for the Arts, claimed that Britain had fallen down seriously in the pay treatment of the 5,268 part-time counsellors and tutors at the Open University.

Viscount Eccles (C.), another *former* Minister for the Arts, said that ordinary people were baffled because universities turned out more and more graduates every year, yet each year it was harder to find men and women with the character, attitude to life and skills to effectively take on many posts of *responsibility*.

The education system must bear a special responsibility for the decline in standards. "O" and "A" levels were definitely easier to get than in the past and there was now a proposal to set a new examination which would still further lower the *standards of attainment* for able boys and girls.

Every general's nightmare

BY JOHN HUNT

MR. ROY MASON, Defence Secretary, yesterday found himself faced with the strategic nightmare which every general seeks to avoid—a simultaneous war on two fronts against powerful and determined enemies.

In recent years, the annual defence debates have been dreary affairs attracting little public attention. But the speech by Mrs. Margaret Thatcher, the Conservative leader, warning of Britain's weakness in the face of growing Russian military strength, has put defence back in the centre of the political arena.

Mr. Mason presented a motion defending the cuts in the 1976 estimates, and noting that defence must play its part in the overall reduction in public expenditure. The motion argues that as the cuts fall on our support services and not on front-line troops we could still maintain an adequate contribution to Nato.

The Tories countered with a motion recalling that the cuts of the previous year had reduced defence to "absolute bedrock." In view of the continuing growth of Soviet military power and the unfavourable balance between Nato and the Warsaw Pact, it condemned the proposal to reduce the U.K.'s defences for the third time in a year.

For the Tories, Mr. Ian Gilmour, shadow Defence Secretary, said that the Americans, Germans and French were all increasing their military programmes in the face of the growth of Russian power.

He added: "Such is the insane world of British Socialism that the Government is doing precisely the opposite."

But the worst threat to the Government, came from the massed ranks of Left wingers on the Labour backbenches. A group of 83 MPs—Left wingers plus three Welsh Nationalists, had put down an amendment claiming that the defence estimates would increase the arms bill and contravene Labour's election manifesto.

As they saw it, defence spending was taking money which should be going for education, housing, health, social services and the *re-equipment* of industry.

The battle opened with a brisk skirmish in which Mr. Frank Allaun, the leading Labour opponent of defence spending, protested that the Left wing amendment had not been called by the Speaker even though it had the backing of half the Labour backbenchers.

Claiming that we were now spending £5.6bn. a year on arms, he accused Mr. Mason of misleading the House and declared: "It sticks in my gullet to have to vote for a Government resolution positively welcoming this increase in spending."

However, the Defence Secretary was too old a campaigner to be caught by these tactics. On the contrary, he said, it was Mr. Allaun who was misleading the House.

The Government had, he said, reduced the defence budget and, in real terms, it would be smaller in 1978-79 and 1979-80 than it was in 1970-71. Therefore, the Government had fulfilled the manifesto undertaking "to the hilt."

Mr. Mason also cleverly undermined the Left-wing case by emphasising the large number of civilian jobs which would be lost as a result of any arbitrary cuts in defence spending.

He conceded that the balance of forces had tilted a little farther in favour of the Warsaw Pact and that the qualitative advantage enjoyed by Nato forces was being eroded. Britain's latest study of Soviet military expenditure showed that Soviet spending on defence was greater than we had thought.

Mr. Mason announced that his Department would shortly be publishing a significant paper on the Soviet arms industry showing the extent of the investment of Russian resources in armaments.

Britain, he said, was constantly being watched by the Soviet Union. Once or twice a week Soviet reconnaissance aircraft tripped Britain's air defences and were intercepted by our air defence aircraft.

He believed that Russia was posing a political threat. There was no evidence that it was planning a military attack on the West.

Mr. Mason concluded by assuring the House that the Government did not want to see a further reduction in our front-line forces. "The balance of our defences is a difficult one. But I think we have now got it about right."

Mason resists Left's challenge on size of defence cuts

MR. ROY MASON, Defence Secretary, emphasised in the Commons yesterday the extent to which the burden of the Government's defence cuts would fall on civilian numbers and establishments.

Some 10,000 civilian jobs would be lost and 3,000 direct job opportunities in the defence industries.

Mr. Mason said he hoped it would be recognised, especially by the Left-wingers, that the cutback would be a painful exercise. "But I wish to reassure those *concerned that I will do all I can* to ease the problems as much as any good employer can."

He hoped to make the cuts with the support and co-operation of the staffs concerned. "Our allies have recognised the pressing economic circumstances that made our latest public spending reductions necessary. I am confident these reductions will not affect, quantatively or qualitatively, our essential contribution to Nato, or our role within Nato."

Mr. Mason said that Left-wing calls for more cuts would deal a serious blow to employment prospects, not least in development areas such as Clydeside, *Tyneside and Merseyside*, where alternative employment was not readily available.

At the recent Soviet Party Congress, Soviet Communist party leader Mr. Leonid Brezhnev had said Russia was not threatening the West. "There are reasons why we cannot accept this on trust."

But there was no evidence that the Russians were planning to launch a military attack on the West. "The use of political pressure is a much more credible form of threat," he said.

Mr. Mason said the alternative to detente was a return to the cold war, and the assumption that war and the horrors that went with it would take place in Europe. Nobody in their right minds wanted that. "We must all aspire to a relaxation of tension."

But we must not deceive ourselves that progress to detente would be easy, or that we could make progress from a position of weakness.

The Russians could help detente by allowing free *movement of people and ideas* between East and West, and by dismantling the Berlin Wall, a monument of shame which showed the inadequacy and viciousness of a repressive regime. They could also help by allowing more progress in the talks on arms limitation and reducing their own over-kill capacity.

Mr. Ian Gilmour, Shadow Defence Secretary, said there was a fundamental flaw in Mr. Mason's argument that the cuts did not really damage our defence capabilities.

If Mr. Mason was right, what he had said when making cuts last year had been "*frivolous* nonsense." He then said that he had made a review which was the most extensive over undertaken in peacetime.

The House was now being asked to believe that far from being at bedrock, our defences were "feather-bedded," and that earlier reviews were an incompetent mistake. "Rarely has the House been asked to believe anything quite so implausible."

On comments which Mr. Mason had made about keeping the teeth of our defence forces and cutting the tail, Mr. Gilmour added: "No animal has only teeth and tail. What he calls the tail is in fact the backbone, the muscles and other vital parts."

There was not much point in having front line units that looked strong if their weapons and follow-up facilities were not up to date, if they were transported to a place and then did not have enough fuel, and if they lacked spare parts and ammunition. These are the indispensable function of the support arm."

Mr. Gilmour warned of a danger that the Russians might attack on Nato's northern flank, embracing the area containing North Sea oil. There was a serious imbalance between the international forces of the two sides.

What impressed our opponents was the effectiveness of our forces, not the proportion of the GNP which they represented.

Mr. Gilmour said that over the last 12 years, the Labour Party had made almost a profession of defence reviews and defence cuts. "I challenge Mr. Mason to find any single instance where any one of those reviews has led to any internal economic improvement in this country."

Mrs. Thatcher's warnings about the Soviet Union had been widely confirmed. "If the Tribune Group had their way we would be lucky if we were left with more than a detachment *of the Clay Cross home guard*.

"When a ban-the-bomber trembles on the brink of the Premiership, anything is possible in the Labour Party."

The Government might succeed in fooling Labour MPs, some journalists, some of the public and possibly some allies. But the Government would not fool the Russians.

'Savings are spurious'

Mr. Frank Allaun (Lab Salford E) said the so-called savings were spurious. They were not a cut compared with this year's arms spending but only wild projections on arms spending made long ago, in a different world financial situation.

Conservative MPs and certain newspapers were telling horror stories of the Soviets sweeping across western Europe with the Red Navy sailing up the Thames and the Manchester Ship Canal. But it was the U.S. and Russia who were so afraid of each other that they were preparing for war and this was causing the arms race.

Mr. Allaun said one serious objection to arms reduction was that it might lead to unemployment. But after the war, nine million men under arms had been successfully re-employed and the figure now was very much less.

Mr. Julian Amery (C. Pavilion) said that what had happened in Angola had introduced a totally new dimension to the world strategic problem "There is no Western alliance which covers that part of the world. What has happened puts in question the basic concept of the defence White Paper."

He believed that the Soviet Union intended to take over central and southern Africa. He warned that there would be "catastrophic" consequences for the West if this happened, because a major source of raw materials would be cut off.

Mr. Amery said Soviet imperialism was a threat to British and European interests in Africa, and also to British jobs because of the raw materials that *came from* countries likely to be involved.

He asked for an assurance that Whitehall staff would be set to look at what could be done in diplomatic and military measures.

"This House and this Government should ring the alarm bells wherever we can about what is going on, at the United Nations, at the European Summit tomorrow, and with the President of the United States."

He added: "Nothing less is at stake than the survival of the industrial economy of the West."

Electricity subsidy will be cut by 90%

GOVERNMENT subsidies to the electricity industry in England and Wales in 1976-77 will be cut to one-tenth of the previous year's — £31.3m. compared to £312.2m. The figure for 1977-78 is estimated at £6.3m.

Details of subsidies to the nationalised fuel industries were included in a Commons written reply yesterday by Mr. Anthony Wedgwood Benn, the Energy Secretary.

The British Gas Corporation will receive £7.1m. in 1976-77 compared with £23.8m. for 1975-76. No provision is being made for 1977-78.

The National Coal Board will get £29.7m. for 1976-77 compared with £74.9m. In the next year they will receive £29.6m.

All figures for 1976-77 and 1977-78 were estimates. Mr. Benn explained that 1975-76 was expected to be the last year for which compensation would be paid for price restraint. He added: "The Government's general policy is that nationalised industries should operate without subsidies.

"We have, however, acknowledged an *obligation to assist* the coal industry with the burden of the past, and to provide support for its operations in certain circumstances."

Bill limits cut-off powers

A BILL which would limit the powers of electricity Boards to disconnect certain categories of households, was given a formal first reading in the Commons yesterday.

Its sponsor, Mr. Eddie Loyden (Lab., Garston) said that electricity was fast becoming a luxury to many groups of people.

Figures published yesterday disclosed that there had been more than 138,000 disconnections in the year up to March 31. He asked if it was right that disconnections should be allowed to take place at the present rate.

The problem was not confined to the elderly and chronically sick.

Ennals stamps on Tor[y] hopes of Smith invitat[ion]

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

TORY BACKBENCHERS' hopes of getting Government agreement for some form of compromise overture to Mr. Ian Smith and his regime in Rhodesia were brusquely crushed by Mr. David Ennals, Foreign Office Minister of State, in the Commons yesterday.

Mr. Ennals was urged from the Tory side to consider inviting Mr. Smith to a conference in London. Dismissing the proposal, the Minister contended that the leader of the illegal regime had refused to accept even the basic principle of majority rule.

The suggestion made earlier this month by Mr. James Callaghan, Foreign Secretary, that the white Rhodesians should begin to look for a new leadership away from the present course of destruction, was further underlined by Mr. Ennals.

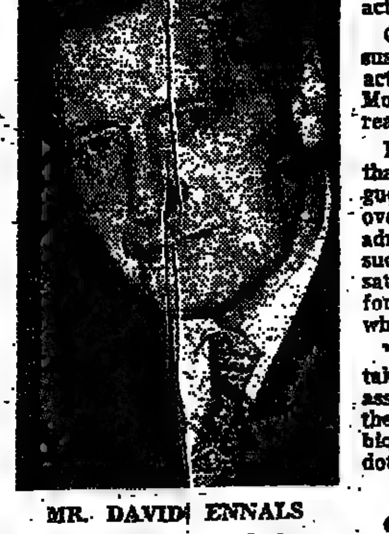
He also disclosed that the EEC would soon be publishing a statement—possibly after this week's summit meeting—dealing specifically with the Rhodesia problem.

As for the idea that Britain might be willing, in certain circumstances, to intervene militarily in Rhodesia, Mr. Ennals dismissed the suggestion out of hand.

"We were not prepared in 1965 to intervene militarily at the time of UDI and we would not be prepared to intervene militarily to-day—either to take action supporting the minority against the majority, or as Dr. Kaunda had suggested, to arrest those now holding power," said the Minister.

The Government believed that a settlement must be reached by negotiation.

Mr. Ennals was answering questions only hours before he was due to leave for talks with President Nyerere.



MR. DAVID ENNALS
Call to white Rhodesians

During his Africa visit, Mr. Ennals is also hoping to have discussions with the Mozambique Government. He confirmed to MPs that Britain had offered to contribute £15m. to that country aid in compensation for losses incurred through the imposition of sanctions against Rhodesia.

Initially, an offer of £5m. had been put forward and a British as aid in compensation for losses Mozambique to discuss details of the aid programme.

Urged on by the Tories, Mr. Reginald Maudling, shadow Foreign Secretary, asked what guarantees had be[en] ensure that the a[id] be used, directly o[r] sustain and enco[urage] activities in Rhode[sia]

Other Tory MPs suspicions of C[ommunist] activity in the a[rea] Mozambique woul[d] ready to help the

But Mr. Enna[ls] that there were guerillas in Moza[mbique] over, Britain's administering aid such that the H[ouse] satisfied that they for the peaceful which they were

"This is a princ[iple] take very strongly assurance I have the Foreign Minis[ter] bique and I have doubt it."

Stop 'na[gging] Soviets, Tories t[old]

MR. JAMES [Callaghan] Foreign Secreta[ry] took the Oppositi[on] their "querul[ous] attitude towards Union."

He made his c[omments] Commons questio[n] Foreign Minister recent visit to B[ritain]

Mr. Iain Sproat [(C.] S.) said the Russ[ians] honouring the Helsinki agreemen[t] Callaghan replied not know why the imagine the wor[ld] reformed overnigh[t]

"Nagging is not to make progress we are getting fr[om] is this kind of ap[proach] Soviet Union," Secretary declared

Mr. Reginald Ma[udling] tion spokesman, party had stre[ssed] Gromyko the conc[ern] about the growth incursion into so[uthern] and treatment of

Mr. Eric Heffer attacked the Oppo[sition] "hysterical" abo[ut] Union, and added were not helping Soviet Union whi[ch] move that countr[y] democratic directi[on]

Sir Keith says Tories must stress freedom

CONSERVATIVES had allowed a swing Left in Britain by not effectively enough putting the case for freedom and enterprise, Sir Keith Joseph, the Tories' chief policy maker, declared yesterday.

On a whole range of issues what people wanted was not achieved by either the Labour or Conservative parties, he said at a Parliamentary Press Gallery lunch.

Millions whose standard of living had declined resented the lowering of personal security and standards and made their disaffection felt by deserting the Tories, but not for Labour, Sir Keith added.

But, he argued, the Conservative current was turning—not from any new theoretical impulses, but because of pragmatism. "My party has nothing to fear from a philosophic debate and the country has everything to gain."

Trade unions were part of a free society. They had grown up and only had an independent existence as part of a decentralised capitalist system. They should be allowed to look after the best interests of their members as they saw them.

They should be "free to price their people out of jobs or bankrupt their employers if their members really wish them to do so."

MPs' FACILITIES IN EIGHT COUNTRIES

This table, comparing MPs' pay and facilities in eight Parliaments, is taken from a Political and Economic P[lanning] document, 'Reinforcing Parliament,' by Janet Morgan, published to-day.

	Salary and Pension	Rent and Subsistence	Offices	Travel	Secretarial Expenses	Research and Inf[ormation]
AUSTRALIA (127 Members):	MPs receive £11,256 p.a. and a tax-free electorate allowance of £2,307 p.a. There is a contributory pension scheme.	MPs receive a daily tax-free expenses allowance of £21 for each overnight stay on official business.	MPs usually have a two-room office in their constituencies as well as an office, often shared, in Parliament House. Equipment is provided, together with free telephone facilities and an annual tax-free stamp allowance of £281.	Free first-class travel on all public transport within Australia, with provision for wives, husbands and close relatives.	MPs are provided with a full-time Secretary/typist at their constituency office. There is a pool of secretaries at Parliament House and each party is also given secretarial staff.	Committees are a Secretariat. Sp[ecial] advisers may be MPs depend upo[n] Parliamentary lib[rary] the legislative Re[ference] and Research Se[rvice]
CANADA (264 Members):	MPs receive an annual salary of £7,657. Deductions are made for non-attendance. There are *pension and insurance* schemes.	The annual tax-free expenses allowance is £3,403, with deductions for non-attendance at sittings of the House.	Each Member has at least two adjoining offices, equipped and furnished on his behalf. MPs are assisted in renting *and furnishing* constituency offices, with an annual allowance of £1,021 for this purpose. Telephone calls and some mailing costs are free.	Free transport within Canada (and some removal expenses). Free air tickets for MPs and their wives and husbands for travel between Ottawa and their home.	Provision for each Member to employ and pay two secretaries or, if he chooses, a secretary and a research assistant. An annual allowance of £2,552 for staff salaries within the constituency. Sums are also paid to the party groups.	Some backbenche[rs] research assistant[s] Otherwise they the party caucus[es] staff (supported funds) and the s[ ] research division library.
FRANCE (473 Members):	Salaries are some £10,058 p.a. of which one-third tax-free.	No rent allowance.	Every Member has a room, there is a telephone allowance and free franking for official mail.	Free travel over the French State railway network and 60 free sleeping car tickets a year.	A monthly tax-free allowance of £317-423 towards any secretarial help a Member wishes to employ.	Few Members ha[ve] personal assistan[ts] sections of the parliamentary sta[ff] the Service des Commissions and Service des Infor[mation]
FEDERAL REPUBLIC OF GERMANY (518 Members):	Annual salary, tax-free, of £7,820. Contributory pension scheme.	Each Member receives a tax-free allowance of £3,232 a year.	An office for each Member, plus an adjoining office shared by the secretaries *of two members*. Equipment worth some £538 and an annual allowance of £323 for office expenses plus stationery to £117 a year. Free telephone calls.	Free travel on public railway and road services, plus an allowance of £2,262 a year.	A pool of secretaries is available, and each Member also receives an annual allowance of £5,368 assistance. Sums are paid to the party groups.	Members may e[mploy] Research assistan[ts] Members use the of the Wissensch[aftliche] Fachdienst.
HOLLAND (150 Members):	*Basic annual salary of* £13,230 with deductions related to a Member's other earnings.	Compensation on a civil service scale, for hotel and other expenses.	No separate office for Individual Members, but space is allotted to the political parties. Telephone calls and franked mail are free.	An annual tax-free travel allowance of £960.	Each Member receives a tax-free allowance of £1,542 per year—approx. ¼ of a Secretary's salary. Sums are also paid to the party groups.	Committees dep[end on] staff of the Clerk Backbenchers us[e] and private reso[urces] their party and, t[o an] extent, the library
ITALY (630 Members):	The salary amounts to some £7,550 a year. There is a contributory insurance and pension scheme.	A monthly subsistence allowance of some £80 is paid to all Members.	Members have a seat in large work-rooms and the more fortunate, a desk. Free telephone calls from the parliament building.	Free travel on State railways, shipping lines and IRI motorways, and on public transport in Rome.	No assistance for individual Members.	*There is a small* documentation a[nd] research bureau a[nd] the library. Mem[bers] depend largely o[n] Clerks for assista[nce]
UNITED KINGDOM (635 Members): (post Boyle 1975)	Members receive a salary *of £5,750 a year. There* is a pension scheme.	The additional costs *allowance has been raised* to £1,350 a year and the London supplement to £340 a year.	Two-thirds of MPs now have *single or shared offices*. Telephone calls are free. Stationery supplies unlimited and Members may use official franked envelopes.	The car mileage allowance has been raised to 10.2p a mile: MPs may claim alternatively, reimbursement for travel by rail, air or sea. MPs' wives or husbands are entitled to 15 free 1st class return rail tickets a year.	The secretarial allowance has been raised to £3,200, and MPs are free to allocate it between secretarial or research help, as they wish.	Committees may specialised staff. C[ ] backbenchers rely Research Services library. Some MPs a research assistar[nt]
THE UNITED STATES OF AMERICA (435 Members):	An annual salary of £18,023. May join the Civil Service Retirement system.	Members may consider £1,272 of their salary as tax-deductible but there is no additional allowance.	Each member is provided with a 3-room suite of offices (and storage space). There is lavish provision for furnishing and equipment. Stationery allowance is £2,756 per session, a stamp allowance of £483 and telephone calls are free. Each member may receive an allowence for establishing up to 3 constituency offices, plus an allowance of £2,756 for equipment and furnishing. The telephone allowance is £1,016 a year and there is an allowance of £848 for other office expenses.	Claims may be reimbursed or a Representative credited with a sum of £954 per Congress. Members travelling on committee work are reimbused: there is a large allowance for their office staff.	Each Member receives an annual clerk-hire allowance of £77,445 (for up to 16 clerks). There is a 'graduate intern' programme.	Congressmen emp[loy] own personal staff Committees are ge[nerally] provided with a st[aff] their own. There i[s a] large and expert Congressional Res[earch] Service within the department of the

LABOUR NEWS

[High] Court decision [to]day on CPSA [in]junction plea

BY [OUR] LABOUR STAFF

[A HIGH] COURT judge will [decide to]day whether to issue an [injunctio]n against the national [executive] of the biggest civil ser[vice unio]n, the Civil and Public [Services] Association.

[Mrs. K]ate Losinska, president [of the CP]SA, is trying to stop the [executive] publishing censure of [her for] writing an article in [Reader's] Digest warning of a [takeover] by extremists of the Far [Left].

[Mr. Jus]tice Brightman said yes[terday a]t the end of a two-day [hearing t]hat it was a case of great [importan]ce to the union, and he [needed] time to consider the [issues].

[Mrs. L]osinska, a campaigner [against] Communists and Left[-wing m]ilitants, claims that the [executiv]e intends to punish her [because] of her views in an [article] called "The Marxist [Threat fo]r Britain."

[Rebuttal]

[She s]ays the executive pro[poses t]o publish a rebuttal—[so a]s to damage her pros[pects i]n the May presidential [election].

[Mrs. L]osinska asked the judge [for an] injunction banning the [union f]rom distributing to its members a circular con[taining] the executive's censure. [She] also sought an order stopping the union publishing its decision against her in "Red Tape," the union journal.

Mrs. Losinska, elected president last May, alleges that the executive would be by-passing the union's internal disciplinary procedures. Her counsel, Mr. Alexander Irvine, said yesterday: "The effect of what the executive is proposing to do would be to punish Mrs. Losinska for what she wrote by reducing her standing in the eyes of the membership."

Independent

"If it is sought to move against her because she has done something injurious to the union, then the rules stipulate that it must be done in a certain way." This would involve bringing in an independent person to head a tribunal.

Mr. Peter Scott, for the union, urged the judge to find that the executive's publication plans could not reasonably be regarded as the taking of disciplinary action against Mrs. Losinska.

Even if it were, he argued, it was within the executive's powers. He also submitted that, because of the wide publicity already given to Mrs. Losinska's "contentious" views, the executive should be free to respond promptly.

Ashley Ashwood

The Lord Chief Justice, Lord Widgery (left), shares a judicial joke with members of the Employment Appeal Tribunal after its opening ceremony in St. James's Square, London, yesterday. With Lord Widgery are (from left to right) Mr. Justice Phillips, president of the tribunal, Lord McDonald, Scottish president, and Mr. Justice Bristow, another judge on the panel.

The EAT hears appeals on points of law from industrial tribunals. Both the first two cases heard yesterday resulted in victories for workers. An employee of the Victoria Sporting Club had his appeal allowed for higher compensation following dismissal, and the industrial tribunal was asked to recommend a sum.

A Midlands firm Thomas Wragg and Son, which appealed against a redundancy payment award by an industrial tribunal, had its claim dismissed. The EAT panel agreed that the employee's refusal of alternative employment by the company — turned down because he found a job elsewhere — was not unreasonable.

Wishing the tribunal well, Lord Widgery said the industrial relations area was a vital one. It was significant that laymen would be advising judges on appeals.

One representative of employers and one of unions will sit on each case and their views will have equal weight with the judge's own.

The EAT is charged as lessee with maintaining the sumptuous decor of its London courtrooms and offices, a listed building which was once the home of Lord and Lady Astor.

Flat-rate policy call to GMWU

By Our Labour Staff

LEADERS of the General and Municipal Workers Union, the country's third largest, will be urged in June to press for continuation of the present flat-rate pay policy.

But they will also face calls at the GMWU annual conference in June to drop their support for the Government-TUC social contract.

Several branches of the union want pay to be tied to the cost of living index, as it was under the original social contract.

Before the present £6 pay limit, many low-paid workers like those in the GMWU set a trend of pay rises of about 30 per cent., when inflation was running below 25 per cent., largely because of movement towards the £30-a-week TUC minimum wage target.

The Government's handling of unemployment and public expenditure has probably brought the biggest reaction from GMWU members, however.

The preliminary agenda for the conference, published yesterday, contains 17 resolutions expressing alarm at unemployment levels and 11 highly critical of public expenditure cuts.

The timing of the GMWU conference, in Bournemouth in the second week of June, could be significant, as the special TUC conference on the economy and wage policy may take place a week later.

Other subjects of debate for the GMWU include import controls, picketing law and the imprisonment of Shrewsbury picket Mr. Des Warren, who is still in jail.

Demarcation dispute hits construction sites in North-East

BY OUR OWN CORRESPONDENT

AN INTER-UNION dispute which started with the sacking of 130 workers at an oil fabrication yard spread yesterday, with strikes involving nearly 6,000 workers on Teesside.

The dispute is affecting construction work on the British Steel Corporation's £1.5bn. new complex at Redcar, a £120m. oil terminal at Seal Sands, the ICI complex at Wilton—and other small construction sites in the Teesside area.

Now an unofficial shop stewards' committee is to call on workers at construction sites throughout the country to stage sympathy strikes in support of the 130 men sacked last week by the Cleveland Bridge and Engineering Company.

Stoppage

The committee, which has called a mass meeting in Middlesbrough to-day, claims it has the support of construction workers in the North-East.

The company dismissed the men, members of the construction section of the Amalgamated Union of Engineering Workers, for refusing to end an unofficial stoppage over a demarcation dispute with the Transport and General Workers' Union at the company's Teesside wharf.

Agreement

In a statement issued yesterday, the company said it refused to be intimidated by the workers who had gone on strike. The men wanted them to break a three-year agreement on job allocation with the TGWU. The demarcation strike was the 21st since last August and the men had terminated their employment by their actions.

There was no end in sight last night to a separate dispute over the training of pipefitters as welders which has led to nearly 900 boilermakers stopping work on Teesside.

Power site strike ends

BY OUR LABOUR STAFF

A TEN-WEEK strike which halted construction of a £300m. power station on the Isle of Grain, Kent, has ended.

Those of the 14 strikers who were dismissed have been reinstated, and their union says further talks are to be held about who should pay for their protective clothing—the cause of the dispute.

Director claims unfair dismissal

BY OUR LABOUR STAFF

THE MANAGING director of a building products company will to-day claim before an industrial tribunal in London that he was unfairly dismissed by his Board.

Mr. Nicholas Fleischmann, 63, was dismissed last September by the Board of the publicly-quoted company Contiwood (Durabella), in which he was a 40 per cent. shareholder.

As managing director, he was paid a salary of £3,000, plus 40 per cent. of the profits as commission. He founded a company called Contiwood in 1939, which merged with Phoenix Timber in 1971.

Mr. Fleischmann will tell the tribunal through counsel that he was dismissed without warning and that his contract of service was broken.

Describing himself as the inventor of a new sound insulation product sold to many big contractors, Mr. Fleischmann claims to be one of the first to introduce industrialised building systems to Britain.

[F]ewer working days lost

[THE N]UMBER of days lost [through] strikes in February was [conside]rably lower than in [January], which has the highest [figure f]or five months.

[Acco]rding to today's issue of [the De]partment of Employment [Gazett]e, 165 stoppages occurred [in Fe]bruary, involving 53,100 [worke]rs and resulting in the loss [of 1]2,000 working days. In [Janua]ry, 332,000 working days [were l]ost.

[This] brings the total number [of wor]king days lost in the first [two m]onths of this year to [...] — compared with 727,000 [in Jan]uary and February 1975. [Last ye]ar had some of the lowest figures for many years.

The Gazette also shows that the basic weekly wage rates of some 2.5m. workers were increased in February by a total of £5.8m.

Among those who received £6 pay rises were workers in biscuit manufacture, aerated waters manufacture and the paper and board-making industries. There were increases of less than £6 — the maximum allowed by pay policy — for engineering and laundry workers.

Up to the end of February this year, 4m. workers had secured increases in basic rates totalling £11.9m. For the same period last year, 3m. workers secured increases totalling £9.4m.

Farm workers average £44.35

By Our Labour Staff

LATEST earnings figures for farmworkers, published by the Ministry of Agriculture, show a weekly average of £44.35 for 46 hours during the last quarter of 1975.

Earnings, including holiday pay, ranged from £40.50 for 44½ hours for labourers, to £54.80 and 46 hours for foremen.

ACCOUNTANCY APPOINTMENTS

CSL

Merseyside c £12,000

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The Executive Selection Division - MF578.

Coopers & Lybrand Associates Ltd., Management Consultants, Shelley House, Noble Street, London, EC2V 7DQ.

Financial Director

c. £9,000

With its profitable turnover approaching eight figures, this private company's light engineering activities have generated a growth rate that compares with the best in its industry. It has accentuated the need both for improved control of the basic accounting disciplines, involving computer usage, and for seasoned financial and legal business advice in the boardroom. A Financial Director is to be appointed who will be expected to improve the professionalism and standing of the financial function and play a major role in assessing the business's future financial needs. Applicants, preferably aged 35-45, must be fully-qualified accountants with experience especially in the financing of trading company operations and ideally of product costing of high-volume manufactured products. The personal style of the successful applicant should be positive yet diplomatic. In addition to good employment conditions, a car will be provided together with assistance with relocation to the West Midlands. The salary indication is £9,000.

Personnel Services (Ref: AA40/5589/FT). The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

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PA

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Finance Director

Light Engineering Industry

at least £8000 p.a.

Huntley, Boorne and Stevens, a wholly owned subsidiary of Associated Biscuit Manufacturers Ltd., is primarily engaged in light engineering, trading in printed tins, the manufacture of aerosols and fabrication of sheet metal products. The Company has an annual turnover in excess of £5M.

This appointment, which has Divisional Director status, is located at Woodley, near Reading and carries responsibility to the Managing Director for the total company financial, accounting and costing functions. As a member of a small management team, the Finance Director will also be required to contribute to the commercial plans of the business and play a major role in the re-organisation and improvement of control information relating to profitability, costs and budgets.

Applicants should be Chartered, or Cost and Management Accountants, preferably with a degree and at least three years' industrial accounting experience at senior level. A knowledge of estimating, costing for new products and the application of computer systems will be particularly relevant. Experience in company secretaryship and legal work would be an asset. Preferred age is 35-45.

Salary will be negotiable from around £8000 per annum with a company car, pension, life assurance and BUPA benefits.

Write with full personal and career details to Mr. J. H. Tucker, Personnel Director, Associated Biscuits Limited, 121 Kings Road, Reading, Berks RG1 3EF.

ab

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European Personnel Manager,
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Figureheads

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OUR CLIENT, Hong Kong Telephone Company Limited, (capital employed in excess of £150m), is seeking a senior executive to develop a newly created corporate finance function.

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The Council recognises that this is an exceedingly demanding task so a new post has also been established at a high level to also provide administrative support.

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For further information and application form write to Head of Management Services, Town Hall, Patriot Square, London E2 9LN or telephone 01-981 0077 anytime, quoting reference 4/5. Closing date: 3rd May.

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Group Insurance Manager

to £9,000 plus car — Central London

Chloride Group Ltd., a major British-based international manufacturing group with a distinguished profit record and around £200m turnover, seeks a manager to head *its insurance function. The post carries responsibility* to the senior financial executive of the group for managingt he world-wide insurance and risk control programme with a small specialist and professionally qualified staff. *The job also carries responsibility for* UK property matters.

Candidates (male or female) must have directly relevant experience, heading an insurance function in an industrial or commercial group or acting as deputy head of such a function. They should be professionally qualified in the insurance, secretarial or accounting fields and ideally be aged 30 to 40. Prospects are not necessarily confined to this function.

For a fuller job description, write to John Courtis & Partners Ltd., at 78 Wigmore Street, London W1H 9DQ, indicating briefly your relevance and quoting reference 758/FT.

JC&P

UNITED CALIFORNIA BANK
Brussels Branch

seeks a professional senior

Foreign Exchange and Euro-Currency deposit dealer

to join the money management team, answering directly to the Manager and Chief Trader of the department. The desired candidate will have a *minimum of* five years experience, customer oriented, capable of independant action. Competitive salary.

Write in confidence to
Mr. Arthur Sealls,
Vice President & General Manager,
United California Bank,
57 Rue Montagne aux Herbes Potageres, 1000 Brussels.

MANAGING DIRECTOR
FINANCE HOUSE

national American finance company seeking person with an administrative ability and broad experience in all es of consumer and commercial lending. Established pany with main office and branches all near London. Must promotional minded, good with people, knowledgeable in it analysis and prepared to commit oneself to a continuation of company's rapid sound growth. Salary £12,000 more commensurate with ability and current earnings.

y Box A.5503, Financial Times, 10, Cannon Street, 4BY.

SHORTLOAN INTERNATIONAL LIMITED

Applications are invited for experienced

EURO-CURRENCY DEPOSIT BROKERS

knowledge of the London market.

Also required are three

TRAINEE DEPOSIT BROKERS

ing experience of the Foreign Exchange market.

eplies, which will be treated in the strictest confidence, should ddressed to:
David Thompson, Shortloan International Limited
4 City Road, London EC1Y 2AU. Tel: 01-638 4720.

L. MESSEL & CO.
Building Materials

In order to implement our current expansion programme we need to recruit a senior building analyst to complete a small specialised team in this area, where we are already acknowledged experts. The candidate will be under 35, will have several years' experience as a building analyst and will have developed contacts in the industry at a senior level.

The level of remuneration will be fully competitive for the right candidate.

Write or telephone Mike Whittles, L. Messel & Co., P.O. Box No. 521, Winchester House, 100 Old Broad Street, LondonEC2P 2HX. Tel. No. 01-606 4411.

OIL BROKER

An internationally known Shipbroking group wishes to appoint an "Oil Broker" to create and develop an oil broking section.

Applicants should be well informed on the trading logistics between oil companies, and preferably already have had experience with an oil company or trader. The successful applicant will be based in London.

Curriculum vitae to Box A.5497, Financial Times, 10, Cannon Street, EC4P 4BY.

MANAGER COMMERCIAL BANKING

International Merchant Bank in City requires Manager to assume responsibility for its commercial lending activities. The requirement is for a fully-qualified Banker of sound judgment and good education, who has had at least five years at management level.

The Bank is looking for a person aged probably 35/45, who has deep experience of international trade financing and is fully conversant with sterling and currency lending and all related Exchange Control practice.

The person appointed will be able readily to meet and assess people at all levels.

A fully competitive salary will be negotiated.

Applications should include a full curriculum vitae, including current salary, and be addressed to Box A.5499, *Financial Times, 10, Cannon Street, EC4P 4BY.*

Statistical Department

well known firm of Stockbrokers require an stant who has experience in handling investment nries. Candidates should write Box A.5501, ancial Times, 10, Cannon Street, EC4P 4BY, ng details of previous experience and present ry.

INVESTMENT MANAGER

Young Portfolio Manager with several years' experience in Merchant Bank, Investment Trust or other institution required for small, highly professional management company handling personal, trust and institutional portfolios. Knowledge of fixed interest and equity markets required; University degree, accountancy or legal qualification desirable. Ground floor opportunity. Starting salary £5,500 with excellent prospects for growth.

Please write with full C.V. to the Managing Director,
ROBERT SANDELL & COMPANY LIMITED,
27 Chancery Lane, London WC2A 1NF

STOCKBROKERS

require Junior Assistant for dealing desk, age 20-24 years. Write for interview giving details to Ref. RDW, Box A.5500, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS

APPOINTMENTS WANTED

ANNOUNCEMENTS

MR. C. A. CANN retires from the Board of Pickford Dawson & Holland Ltd. on 31st March, 1976.

MR. W. WHITEHEAD has been appointed Director of the Board of Pickford Dawson & Holland Ltd, with effect from 31st March, 1976.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

ANNUAL GENERAL MEETINGS OF GROUP COMPANIES AND CLOSING OF TRANSFER REGISTERS

The Annual General Meetings of the under-mentioned companies will be held in the Board Room, Consolidated Building, corner of Fox and Harrison Streets Johannesburg, on 14th May, 1976 at the times listed below. The transfer books and registers of members will be closed from 10th to 14th May, 1976 both days inclusive.

Name of Company (each incorporated in the Republic of South Africa)	Time of Meeting
Western Areas Gold Mining Company Limited	9.15 a.m.
Elsburg Gold Mining Company Limited	10.15 a.m.
The Randfontein Estates Gold Mining Company, Witwatersrand, Limited	11.15 a.m.

In respect of each of these meetings, any member of the company concerned is entitled to appoint a proxy to attend and to speak and, on a poll, to vote in his stead. A proxy need not be a member of the company.

Holders of share warrants to bearer desirous of attending in person or by proxy or of voting at the meeting and at any adjournment thereof are required to comply with the regulations of the company relating to share warrants. Copies of the regulations are available on application to the Johannesburg office of the company at the address given below or to the office of the London secretaries, 27 Austin Friars, London EC2N 2BY.

By Order of the Boards,
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries,
per: D. F. R. BRUMAGE.

Head offices and registered offices:
Consolidated Building, corner of Fox and Harrison Streets, Johannesburg 2001.
P.O. Box 590, Johannesburg, 2000.
31st March, 1976.

JUTLAND TELEPHONE COMPANY LIMITED

5¼% BONDS OF 1964

S. G. WARBURG & CO. LTD. announce that the seventh instalment of Bonds for a nominal value of U.S.$666,000 (First Series) and U.S.$333,000 (Second Series) have been purchased for redemption on 1st May 1976.

1st April, 1976.

30 Gresham Street
London EC2P 2EB.

BLACKMAN AND CONRAD LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Register of the company will be closed from the 8th to the 30th April inclusive.

By Order of the Board
CONNAUGHT ST. MICHAELS LIMITED
Registrars.

CONTRACTS AND TENDERS

INVITATION OF TENDERS FOR CHIGWELL SERVICE AREA ON M11

1. The Department of the Environment invites applications for the right to build and operate petrol filling stations and single storey catering establishments on a 50 year lease at Chigwell Essex on the London-Cambridge Motorway M11.

2. Sites on opposite sides of the motorway, totalling about 36 acres (15 hectares) are to be developed as one service area.

3. A petrol filling station offering at least two unassociated brands of petrol and one cafeteria are required on each side of the motorway, although applicants may offer initially to provide full catering on one side of the motorway only. The successful applicant will be required to spend at least £750,000 on the provision of these facilities, including at least £400,000 on the first stage if the development is to be staged.

4. Parking areas, through roads, exterior lighting, landscaping and a pedestrian subway connecting the two half-sites will be provided by the Department. Mains services including gas will be brought to the developer's service points.

5. Requests for further details and application forms should be addressed to the Department of the Environment Motorway Service Areas Branch, Room 3-11A St. Christopher House Southwark Street, London SE1 0TE. The closing date for the return of completed applications is July 13, 1976.

CONTRACTS AND TENDERS

UNITED ARAB EMIRATES
Ministry of Electricity and Water
P.O. BOX 1672, DUBAI

The Ministry of Electricity and Water for the United Arab Emirates invites tenders for the following works:—

Tender No. N4248—
Specification No. N35.1/1976

Comprehensive mechanical and electrical works (excluding Desalination Plant) for the new power station to be constructed near Umm Al Quwain and having capacity of about 90MW.

Applications for tender documents should be made during normal office hours at the Ministry's offices in Abu Dhabi or Dubai in the UAE or at the UAE Embassy in London. Only firms who have had experience in engineering similar projects should apply.

Each tender fee is Dirhams 2,500 if collected in the UAE or £300 sterling if collected in London and is not refundable. Volume I (Instructions to Tenderers, Forms and Conditions of Contract) of the tender documents and an abbreviated specification is already available and the remaining volumes 2, 3 and 4 (Specification, Schedules and Drawings) will be available from 10 April 1976.

Tenders must be valid for 100 days.

Tenders must be accompanied by a bid bond in the form of unconditional bank guarantee of Dh12,000,000 (12 million) valid for 130 days. The successful tenderer will be required to replace this with a performance bond equal to 10 per cent. of the total contract sum for the period of the contract. The tender documents must be complete and submitted in quadruplicate. Each copy shall be enclosed in a plain envelope not bearing any identification of the tenderer and marked only on the outside with the tender number.

Four copies shall be addressed to:— His Excellency the Chairman, The Permanent Committee for Projects, Ministry of Planning, P.O. Box 2847, Abu Dhabi, UAE.

Tenders must be received not later than 17.00 hours on 27 June 1976. This advertisement is a complementary part of this tender document. It is important that the plant is in commercial service as early as possible in 1979.

Abdulla Bin Humaid Al Qassimi
Minister.

Peter Vinter suggests that a greater flow of information is an essential ingredient for adequate Government control of public spending

The early warnings cash limits need

THE POLITICS and economics of public expenditure are right in the public eye after the abstentions which caused the Government's defeat in the vote on its White Paper last month. Compared with this, the shortage of up-to-date running information on expenditure seems boring stuff. It certainly has little attention given to it in public, yet it is the key to control.

The Treasury recently replied to the House of Commons Expenditure Committee's Special Report on *Cash Limit Control of Public Expenditure Programmes.* It is an intriguing document which in some ways is a milestone in the management of expenditure. Management of resources is not enough by itself; side by side there will be cash limits; these cash limits will be cast widely, covering (more or less) supplementaries as well as main Estimates; most of the central government sector will be in the net and so will the local authorities—these are some of its main points.

Doubts

This is fine as far as it goes, but with a closer look doubts creep in. Throughout, the key word is "control"—of which there will be a variety: cash limits, loan sanctions and housing starts. And, of course, control in this sense cannot, and should not, be applied to social security benefits, as the Treasury rightly states, for they must be paid on demand when the proper conditions have been met. Nowhere is the word "information" used.

To make cash limits effective in the genuinely difficult task of managing individual expenditure programmes, good up-to-date information is crucial. The earliest possible warning of deviations from the required trend is essential. Without this the cash limits will be in great peril; so it is unfortunate that the Treasury's reply is so coy about information. It is to be hoped that either the Chancellor, or the galaxy of papers issued at Budget time, will put this right. If this is not cleared up, the controls themselves must be suspect.

Why is the subject so pressing? First, take the simplest case. If a programme gets seriously off-course, few will *believe that if this is discovered* only in, say, the sixth month of a year, the cut-back will wholly make up the off-track expenditure in the remaining six months. Of course, that is what ought to be done in such a case but short of an iron determination to stand by major cut-backs (for example, shutting schools for a month or two—or even hospitals?) such remedies are unlikely for the simple reason that it would be a public confession of failure. The public could reasonably ask why they should suffer thus because of the poor management. But the only course is to learn very early and act then, while time is available and correction is practicable.

In a roundabout way, the White Paper (Cmnd. 6396, para. 8) accepts this, even though it fails to come out into the open. "Programmes are not immutable, and must be open to revision as circumstances require. The problem is to find a way of allowing this flexibility to respond to new events without, at the same time, allowing ever-growing expectations for better services to pre-empt more and more resources and to require higher taxation." The White Paper then goes on: "Technical methods of expenditure control cannot do this by themselves; they only provide *the framework . . ."* *But what* if the framework has too many holes, and is slow in telling what is happpening? That is the rub.

Coupled with this is the need to *know* what is happening to social security payments, quite apart from control. Supposing there was a surge of unemployment or sickness claims, coupled with a bit of misforecasting in an admittedly difficult area: the Government needs to know what is happening as soon as possible, for either taxes or borrowing will quickly bear the brunt. Furthermore, staff pay is a large part of the public spending; staff rightly expect fair treatment and without early information on trends, recruitment and redundancy cannot possibly be tailored to policy needs.

Another major reason for good running information is the discipline it automatically imposes. There is little room for argument about what information government needs, though there is some room for argument over the quality of the figures. To get this information promptly (say, not more than a month *after the period it* covers), spending centres will have to be keyed up and organised to do the job. This is where the iron enters for the spending centres, for they will be aware that the Departments and the Treasury will know what they know; and the Treasury will know that they know this. And that fact alone will have its compulsions. Effective management means that those in charge down the line must have up-to-date figures; it is not just a need for the Olympians at the centre.

Of course, it will take a little time to arrange all this, so that the object on which cash is *spent* comes quickly out of the spending centres' accounting systems. Here we could meet another obstacle—perfectionism. The perfectionists will argue that the crude cash figures, on which Government accounts have long been founded, will distort the answers. (25 years ago the Crick Committee wrongly, as is now clear, opted for continuing this system.)

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The author is a for of the Whitehall P ture Survey Commi

APPOINTMENTS

Trident TV chairmanship for G. E. Ward Thomas

Mr. G. E. Ward Thomas has been appointed chairman of TRIDENT TELEVISION, the parent company of Yorkshire TV and Tyne Tees TV. He succeeds Mr. James Hanson, who will remain on the Board. Sir Ralph Carr-Ellison becomes deputy chairman.

*

BRITISH TRANSPORT HOTELS' Mr. W. J. Currie, at present director, Travellers-Fare, has been appointed deputy managing director and director of hotels and Mr. H. E. Hyde moves from head of operations to director, Travellers-Fare.

*

Mr. D. H. L. Hopkinson has given up the post of joint managing director of M and G INVESTMENT. He remains as chairman and Mr. L. E. Linaker becomes sole managing director.

*

Lord Plurenden has been appointed a non-executive director of MFI WAREHOUSES.

*

Mr. D. S. Barber, chairman and managing director of Halma, has been appointed chairman of SERVICE ELECTRIC COMPANY, following its acquisition by the Halma Group. Mr. M. J. Arthur, finance director of Halma, has also joined the Board.

*

From to-day the investment division of N. M. Rothschild and Sons is being incorporated under the title N. M. ROTHSCHILD ASSET MANAGEMENT, a wholly-owned subsidiary of Rothschilds. Initial directors will be: Lord Rothschild (chairman), Mr. Evelyn de Rothschild, Mr. Hermann Robinow, Mr. Louis Ginsburg, Mr. David Secker Walker, Mr. James Roe, Mr. Anthony Vice, Mr. Nicholas Eeley, Mr. Richard Katz, Mr. John White, Mr. David Sullivan and Mr. Rolf Alexander.

*

Mr. V. C. Jones, chairman and managing director of W. AND J. GLOSSOP, is to relinquish his executive responsibilities on July 31 but will continue as chairman. Mr. Digby Burnell, who will take over Mr. Jones' responsibilities, becomes executive deputy chairman on August 1. Mr. H. Peebles and Mr. C. Warner, joint deputy chairmen, will retire on July 31. Mr. Peebles will remain on the Board as a non-executive director.

*

Mr. A. J. Warran has been appointed a director of Shawlands Securities and Mr. G. Wynn-Jones becomes managing director of C. R. Hills Life and Pensions Services. Both companies are part of the FRIZZELL GROUP.

*

Mr. Bruce McK. Candlish has been appointed financial director, and Mr. John Speirs director with *special responsibility for sales in* the Midlands and South, of W. H. O'GORMAN.

*

Mr. M. E. R. Allsopp has been appointed to the Board of DUNBAR AND CO., bankers.

*

FISONS has announced the appointment of Mr. H. L. S. Bevington as an associate director of its Agrochemical Division Board.

*

Mr. Ian Fraser, who joined Lebus Upholstery as marketing director in March 1975, has now been appointed to the main Board of the holding company for the Group, HARRIS LEBUS. Mr. Fraser will now be responsible for marketing throughout all Group companies.

*

Hogg Robinson Group has announced the formation of a new company, HOGG ROBINSON KNOX - JOHNSTON (YACHT BROKERS). The Board comprises: Mr. R. B. Keville (chairman); Mr. L. C. Gilroy; Mr. C. D. Knox-Johnston; and Mr. R. Knox-Johnston.

*

Interests of the Wolfson family have additionally acquired the 50 per cent. holding of International Bank of Washington DC in the Birmingham-based bank, SECURITY TRUST CO. As a result of this acquisition, the directors who previously represented International Bank—Maj. Gen. George Olmsted and Mr. Alan Small—have resigned from the Board. The remainder of the Board is unchanged and comprises: *Sir Isaac Wolfson, Lord* Thomson of Fleet, Mr. Peter M. Bunce and Mr. H. Anthony Holman (director and general manager).

*

Mr. D. A. J. Lunn, accountant and secretary, becomes financial director of AUSTIN BEECH. Mr. Royston Oldfield has been appointed works director.

*

Major General P. J. Ovens is to be Commandant of the Joint Warfare Establishment from November 5, in succession to Air Vice-Marshal F. S. Hazelwood, who is to retire.

*

Mr. Jack Eccles has been appointed a member of the ENGLISH INDUSTRIAL ESTATES CORPORATION. Mr. Eccles is regional secretary in Lancashire *of the General and Municipal* Workers' Union and a member of the TUC General Council.

*

Mr. David Cuerden has been appointed financial director of MEMBRAIN. He was previously financial manager of Samuel Jones, a subsidiary of the Wiggins Teape Group.

*

Sir Richard Dobson has been appointed to the Board of FOSECO MINSEP as a non-executive director.

*

Mr. R. O. Barker has been appointed to the Board of SAMUEL MONTAGU AND CO.

*

Mr. Geoffrey D. Lavers has been appointed to the Board of JOHN WADDINGTON. Mr. Lavers is deputy chairman and managing director of the Hargreaves Group and chairman of Hargreaves Fertilisers.

*

Mr. J. D. Nicholson, managing director of Clive Investments, has been appointed a director of CLIVE DISCOUNT HOLDINGS.

*

Mr. E. F. Hillan has been appointed managing director of REED CORRUGATED CASES (a Reed International company). Mr. Hillan had been deputy managing director since January 1975. He succeeds Mr. M. C. Thomas, who has been appointed managing director of the newly-formed *packaging division of Reed Group.*

*

Mr. N. J. Payne has been re-appointed a full time member of the BRITISH AIRPORTS AUTHORITY for a further period of five years. Mr. Payne has held the post of chief executive of the Authority since August 1972.

*

Mr. W. R. C. Elliott and Mr. G. R. Hill have joined the Board of BASS CHARRINGTON. Mr. Elliott is chairman of Tennent Caledonian Breweries, the Bass Charrington subsidiary responsible for Group operations in Scotland. *Mr. Hill, formerly chairman* of British Transport Hotels, has been appointed chairman of Crest Hotels, the subsidiary responsible for the Group's hotels in England and Wales and Continental Europe. Mr. D. R. Ledward will continue to have overall responsibility for the Group's non-brewing interests.

*

Mr. D. M. Saunders has been appointed a director and chairman of BROOKE TOOL ENGINEERING HOLDINGS. He succeeds Mr. R. A. Morton, who has resigned to take up an appointment *as a managing director of* the British National Oil Corporation.

*

WEIR GROUP. Mr. G. F. Arkless has been appointed chairman of Weir Westgarth and Weir Heat Exchange. The former chairman, Mr. J. J. De Raemy, who is based in Geneva, will now be free to devote more time to the overseas operations of the Group's international division. On taking up his new appointments Mr. Arkless is relinquishing the chairmanship of Polypac (Hartlepool). He is replaced by Mr. J. J. B. Young. *Mr. Arkless and Mr. De Raemy* are both main Board directors of the Weir Group, and Mr. Young is managing director. Mr. Maurice Haken has been appointed marketing director of Weir-Pacific Valves. He was previously managing director of a company in the BTR Group.

*

Mr. R. G. Newbery has been appointed a non-executive director of WILLIAM BAIRD TEXTILES.

David Stout is NEDO economic director

Mr. David Stout has been appointed economic director of the NATIONAL ECONOMIC DEVELOPMENT OFFICE. He will take up his duties at the end of July. Since 1950, Mr. Stout has been Mynors Fellow in Economics at University College, Oxford, except for two years in 1970-72 when he was NEDO's economic director. He has been associated with NEDO as a part-time consultant since 1962.

*

Mr. F. G. De Saulles has been appointed deputy director of operations, A. JOHNSON AND CO. (LONDON), but also retains his present appointment as general sales manager.

*

Mr. Roger Metcalf of the Milk Marketing Board has been appointed products director of the DAIRY TRADE FEDERATION in succession to Mr. Paul Pegden Smith, now group commercial director for the Express Dairy *Company.* Mr. Nicholas Finney of Unigate has been appointed industrial relations adviser to the federation.

*

Mr. Roger Dyer has been appointed a director of H. KOHNSTAMM AND CO. (U.K.). He was previously general manager of Standard Synthetics, which was acquired by H. Kohnstamm in 1973.

*

Mr. James R. Kerr, at present steel manufacturing manager of CAMMELL LAIRD SHIPBUILDERS, has been appointed personnel director, responsible to the shipbuilding and senior executive director, Mr. A. O. Lambie. He will take up his post on Monday, April 5.

*

Mr. Liam Pope has been appointed a director of GEORGE AND JOHN NICKSON AND CO., a member of the Sale Tilney Group.

*

Sir Derek B. Greenaway has retired as chairman of DANIEL GREENAWAY AND SONS *and* becomes president. Mr. Alan P. Greenaway succeeds him as chairman, and Mr. William K. Forgie has been appointed vice-chairman. Mr. J. Gossman, Mr. H. W. Laughland and Mr. J. B. Anderson have joined the Board of Greenaways.

*

Mr. Brian T. Muffitt has been appointed financial director of AUSTIN-HALL BUILDING SYSTEMS, a member of the Pentos Group. He was previously financial director of Yorkshire Post and Evening Post.

*

Mr. J. Graham Smith has been appointed managing director of COMPUTER ANCILLARIES.

*

Mr. Roger Petty has been appointed managing director of INTERNATIONAL TIME RECORDING COMPANY. Mr. Petty has for the past six years been managing director of the Renwick Group and remains on its Board as a non-executive director.

*

Mr. W. Ian Green has been appointed to the Board of ACROW as group deputy managing director from May 1.

LONDON & DOMINION T
U.K. LIMITED

Clinton Redgrove, Chairman and Managing Director & Dominion Trust U.K. Limited and associated Comp retire on April 2nd, 1976.

Peter D. Melvill will succeed him as Chairman and Director of the Group which is a subsidiary of the Chartered Bank Limited.

HARRIS LEBU LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limite Registrar with effect from the 1st Ap 1976.

All correspondence and documen registration regarding the Share Reg should in future be sent to:—

Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea,
Worthing, West Sussex BN12 6D
Telephone: Worthing 502541
(STD Code 0903).

R. G. Willmott, Secr

ELECTRICIT DE FRANCE

National Service
Public Corporation of the French
(Law on nationalization of Electricity and Gas of April 8th, 1946)
Registered Office:
2, rue Louis Murat — 75 PARIS (8 ème

8½% Bonds 1971-1986 in denomination of

ELECTRICITE de FRANCE made use, for th bursement of the tranche of $400 000 matu 1st May 1976, of the right of redemption purchase on the stock exchange which is rese the time of issue, and therefore no drawing was held.

Amount outstanding $18 000 000

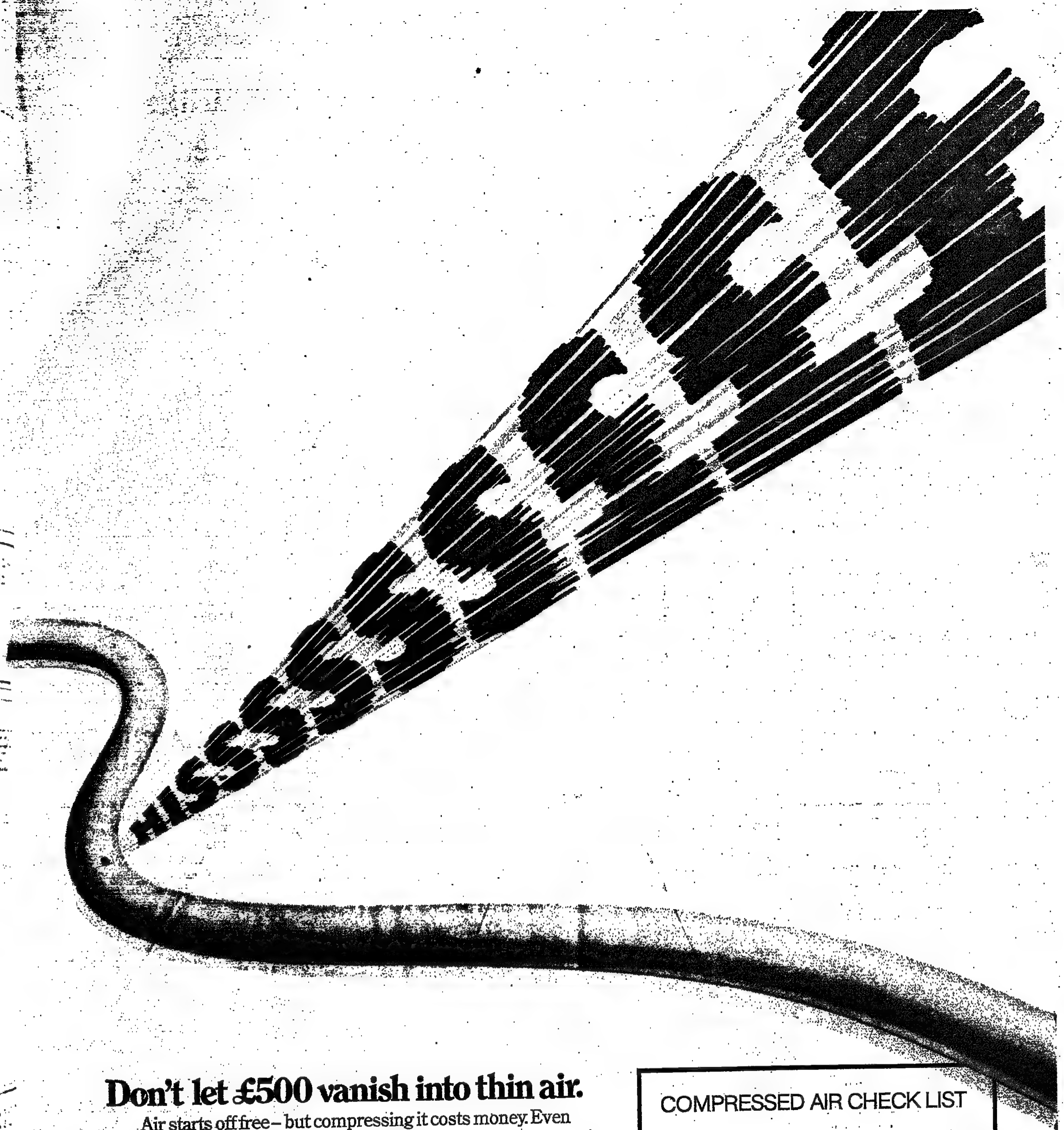
List of bonds numbers drawn by lot on Mar 1974—Repayment on May 1st, 1974, and r presented for redemption

16 758/16 765 — 16 826/16 829 — 16 84
16 961/16 999

BANQUE NATIONALE DE PARIS: Trustee

SAVE IT

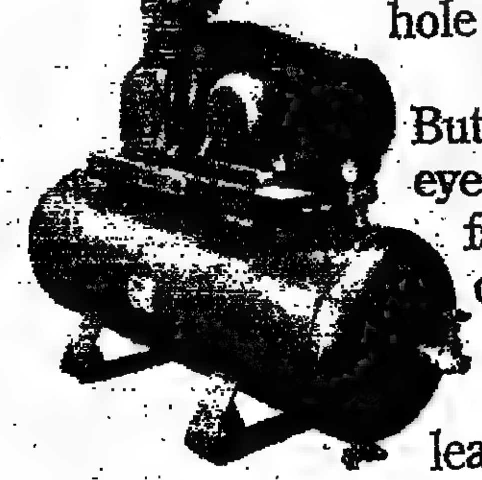
The Financial Times apologises fo error in Tuesday's "SAVE IT" advertise It occurred in the "COMPRESSED CHECK LIST" in which the third point omitted. The correct advertisement app on the opposite page.



Don't let £500 vanish into thin air.

Air starts off free – but compressing it costs money. Even running something as small as one 100 cfm compressor can cost you £2,700 a year.

And you can add a bit more if it's leaking out anywhere along the system. A constant leak at 100 psi through just one 1/8" hole adds another £500 a year.



Well at prices like that it doesn't do to waste it. But it's probably being wasted before your very eyes because of ingrained habits, which, because familiar, escape notice. Habits like cleaning down benches, floors, clothes, lockers. Compressed air is an expensive substitute for a brush.

And it might be wasting itself through leaking pipes and joints, faulty controls and tool connections. Furthermore you could be using a lot of power compressing air to high pressure when low pressure would do just as well. Or maybe your compressors are running through long hours when nobody's using compressed air.

It needs a bit of thinking about, but we can help. Start off by giving this check list to whoever's responsible for energy in your company, best of all your Energy Manager. And start reducing the cost of your factory services right away.

Department of Energy.

COMPRESSED AIR CHECK LIST

Involve your workforce by getting them to report any leaks or faults in the system. How often does your maintenance department test for leaks?

Discourage the use of compressed air for any purpose other than its proper function.

Can low pressure replace high pressure for some of your operations? Generating 1,000 cfm at 100 psi costs £3·10 an hour. The same output at 50 psi costs only £2·20 – a saving of 30%. And if you can use pressure at 5 psi (often practicable for drying or cleaning) you reduce the cost to 40p an hour.

Can you reduce the burden on the central system by installing a small localised compressor for a particular process which must use high pressure?

Ensure that compressors aren't left running when not required. A single 1,000 cfm compressor left running but not generating compressed air costs nearly £10 a day.

Check the location of the air inlet and make sure you use clean, cold air.

SAVE IT

Advertising and...

Stirling Moss, who will start off the proceedings at Brands Hatch on Sunday.

MOTOR SPORT

A start for sponsors

BY BRIAN AGER

MOTOR RACING needs sponsors—but sponsors need to be convinced that they need motor racing. An ill-prepared, tatty car spluttering round a track in front of a small crowd hardly does anything to enhance a brand image. And the sponsor who knows nothing about motor racing can do little to ensure that his cash will bring him publicity and not just enable some racing driver to live well.

But now one motor racing formula is going all out to attract the public—and provide the sponsors with value for money. Formula Atlantic—one of the many racing-car formulae—will be taking to the tracks in a new guise, when this season's series starts at Brands Hatch on Sunday.

Each race meeting will be planned to provide a day's entertainment for the family, with stunt exhibitions, trips round the circuit, fairgrounds, barbecues and helicopter rides. The racing itself is being given a new look and a new title—Indylantic—and will take on something of the style and atmosphere of the U.S. Indianapolis racing.

Practising and racing will be geared to producing the best possible show. Cars will go out individually for just three qualifying laps — with the time-keepers linked to the commentator, who will keep spectators up to date. If there is an accident a pace car will come on to the track and slow all the cars, allowing them to bunch and result in the race virtually restarting.

Package deal

But it is not only the racing which is being changed. Sponsors are being offered a complete package deal for the first time. To sponsor one day's racing named after you costs £6,500. Sponsoring a supporting saloon car race, with sports and show business stars driving, costs £2,000. This is the same price as sponsorship for one car in an Indylantic race.

Sponsoring a car for the whole series would cost £16,000 — it is cheaper than for an individual race because repainting cars in a sponsor's colours and putting on his slogans costs money.

All sorts of other sponsorship deals are available. And they can all be arranged through the race organisers, Formula Atlantic Promotions Ltd., 3, Chester Street, London, SW1. The company will give advice on what is the best sponsorship idea for any business and stresses that one of its main aims is to give both the public and the sponsors value for money.

Kraft supports singles

J. WALTER Thompson has gained some valuable new business from one of its oldest clients Kraft, which has been with the agency since 1926. The U.S. company is introducing its Singles brand of individual cheese slices to the U.K. and backing the product with over £1.2m. worth of promotion, of which around £500,000 will be advertising.

Other new business for the agency from an existing client comes in the roll out launch in Scotland, Ulster and Tyne Tees this week for Rock 'n Rollers, a new snack product from Golden Wonder. It is the first snack with a pop music platform and is being backed with the national equivalent of £300,000. The last Golden Wonder snack, Kung Fuey, achieved £2m. worth of sales in less than six months, confirming the tremendous potential still in the snack market.

NEW CASH AND CARRY FOR

A £300m. custo

BY ANTONY THORNCROFT

LAST year was difficult for many cash and carry companies, especially those with just one or two, small and badly sited depots. Real growth disappeared from an industry which expanded from virtually nothing to a £1,000m. plus turnover in not much more than a decade, and with the intense competition from the newer and larger warehouses, operated by the well-financed national chains, the local depots found their profit margins declining from the standard 1 per cent. net into a loss. As a result the number of depots in the UK has shrunk to less than 600.

This year looks like producing further rationalisation, and while the hard-pressed minors go out of business, or get taken over, the major chains, who now dominate affairs, are pushing through their own improvements. From to-day, for example, five wholesaling companies are merging their buying strengths to create a combined power of nearly £300m., by far the biggest in the industry.

Two of the companies are among the largest in the business—the ABF subsidiary, Alliance, with 46 depots, and the Gallaher off-shoot Warriner and Mason, with over forty. Also involved are Snowdon and Bridge from the Manchester area; King Goodwin in the Midlands; and Warriner and Mason's Ulster subsidiary. All told they will operate 104 cash and-carries, around a fifth of the total.

The companies retain their financial integrity but they expect to be able to get better deals from suppliers and to use the savings for
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In Brief

● GOYA, the ICI subsidiary, has finally decided on the new agencies for its £750,000 advertising budget. Crawfords gets the main slice of the business, Aqua Manda, including Savlon; ABH will work mainly on development projects for drugs and toiletries; and Primary Contact will handle men's products.

● EMI has appointed Collett Dickenson Pearce to look after its Special Project records advertising. This involves big TV campaigns for compilation albums, an area which EMI experimented with two years ago without success, and has since held aloof from. In the meantime companies like K-Tel and Arcade, as well as specialist record companies, have had their successes and failures.

● BRITISH LEYLAND is to launch this summer its first corporate advertising campaign in Europe and other overseas markets, using international media like Time and Newsweek, and national publications. Saatchi Compton is handling the £400,000 account. Additional business for the same agency comes from Bristol Myers which has entrusted it
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The Marketing Scene

RESEARCH IN 1976

The answers on the telephone

BY ANTONY THORNCROFT, MARKETING EDITOR

EVERY year at the Market Research Society's annual conference a few of the current trends in the research business get a little promotional push. Among this year's ideas whose time seems to have come is the telephone and its use in research.

In the past the drawbacks of collecting information by telephone—the up-market slant of telephone owners; lack of experience by research companies in the area; the loss of visual reactions from correspondents—have seemed paramount. But now that face-to-face interviewing is so expensive there have been *studies to see how the* telephone actually performs for market researchers—and the answers are encouraging.

Apart from its relative cheapness telephone research is quick, easily controlled, and national. More to the point a paper presented by G. P. Hyett of the Post Office and G. M. Allan of MAS suggested that the 51 per cent. of households that now own a telephone are very little different from the population at large in their use of fast moving packaged goods.

This was discovered by asking housewives with telephones about their awareness, consumption, image and advertising recall of a range of products from frozen food to washing powders and comparing the answers with a general sample. The main caveats were that certain respondents tend to "up-grade" domestic details when interviewed by phone, and that consumers from higher income telephone-owning homes might have different reasons for not using a product than poorer, non-telephone, consumers.

Another paper, by David Miln and David Stewart-Hunter of Saatchi-Compton, outlined four cases where the telephone had been successfully used in research—mainly for assessing immediate reactions to TV commercials and product sampling. Among their findings are that the 20 per cent. of people contacted who refuse to take part is not much more than the refusal rate from face-to-face interviewing.

Savers seek security

An area of research which, like the telephone, has been much talked about but to relatively little purpose, is financial. This was all the rage around 1973, when the economy was roaring ahead, so it is not surprising that an important research project by Save and Prosper into people's savings behaviour should have been conducted then.

But, according to Allan Spink of Save and Prosper and Simon Howard of PAS, who carried out *the survey, even though the* financial world shifted dramatically within a few months of the results coming in the information gathered has formed a useful data bank which is remarkably relevant. Some of the relevancy was revealed at the MRS conference.

Few financial companies conduct research but Save and Prosper with 600,000 unit holders, (over half the total) has the funds to devote £25,000 on the exercise. The most important result, which has proved accurate despite the recession, is that people aim to keep their savings as a fixed proportion of their income. Indeed as the standard of living declines there is a desire to save more to maintain the balance and as a precaution against an uncertain future.

This finding went against predictions and against all the other popular expectations of the sample, which was that the U.K. was moving towards a Scandinavian style community—and in Scandinavia savings are not so important.

Another important lead for Save and Prosper was that the young aim to save as much as older age groups—while at the same time borrowing much more. On the basis of the information gathered, and it was a remarkably long and personal questionnaire, Save and Prosper has been able to offer new services, in the area of school fees for example, with some knowledge of the kind of consumers that might be interested and how to reach them. The timing of the survey might not have been ideal but the results suggest that public attitudes to such important subjects as money do not change all that rapidly.

Government by polls

There was also a strong, and very reasonable, effort to rehabilitate that opinion polls, which did not help the reputation of market research by apparently failing to forecast the results of recent General Elections. In fact at the MRS conference supporters of opinion polls seized the initiative by suggesting Government by opinion poll. John Clemens of Marplan ended his contribution by quoting Jane Austen "where opinion is general, it is usually correct."

In a perfect world that would be so, but the regularity with which entrenched interests, and, in the last two weeks, Labour MP's, ignore the findings of the opinion polls confirms that it will be a very long time before this interpretation of democracy is accepted by the nation's rulers.

Radio to advertise

THIS week the Association of Independent Radio Contractors, which represents all the mainland commercial radio stations, chose agency Beverley Fowler Maslin Oxlade Starkey to prepare an advertising campaign. The money involved is small, around £5,000, and the aim big—to attract to radio some of those major advertisers, especially packaged goods companies, who have so far failed to support it.

Just why many of the large consumer goods advertisers have ignored the new medium was explained this week by Arthur Lines of Kellogg at a radio seminar. Commercial radio is not yet national and therefore it is almost impossible for a national advertiser using radio as a support to evaluate its contribution to sales. But Lines reckoned that with more stations, and some industry audience research on a national rather than a regional basis, radio's acknowledged sharpness as a marketing tool would be supported with advertisers' cash.

Even so commercial radio has built up an impressive audience in two and a-half years. John Thompson of the IPA pointed out that by the middle of 1976 over half the population of the U.K., some 26m. people, will be able to listen on VHF and many more on MF. On average 40 per cent. of those who can listen to a commercial station do so some time each week, although some stations have a much higher percentage. It means a national cumulative weekly audience of over 11m. people.

Don Wightman of Lintas, giving an agency view, suggested that radio in the U.K. was rather overpriced, and that was why it was far from sold out. Wightman reckoned it cost £40,000 to get 196m. housewife exposures on radio as against £12,500 for posters; £104,000 for a colour page in a woman's magazine; £222,060 for a 30-second TV spot; £164,000 for a page in a national newspaper, and £600,000 for a 30-second cinema film.

SALES PROMOTIONS

Concentrating on the cash

BY MICHAEL RINES

THE winners of this year's Sales Promotion Executives Association annual awards exemplify in a remarkable way the pattern of promotions over the past year. What consumers want to-day is clear extra value for money, or even cash itself. Manufacturers, faced with tight budgets and rapid changes in the market place, need the flexibility, economy and rapid measurable results that promotions have proved they deliver in a way media advertising on its own rarely can.

So what we are seeing are more and more cash related promotions aimed at solving specific marketing problems; joint promotions that spread costs; and promotions closely linked with media advertising to help screw the best value from the promotional pound.

The Persil Pay Packet promotion created by Marden Kane for Levers, which won the Marketing magazine grand prix award, offered consumers a cash refund in return for buying Persil plus a number of other products, not all of which were made by Levers. This not only broadened the appeal of the scheme, but also made the promotional money work harder.

The main objective was to provide a greater value to the consumer and to generate more excitement around Persil than a mere money-off flash could have done. The other products involved rode along on the back of the scheme, which was closely linked to advertising in the daily Press and women's magazines. This took the form of a two-week burst which bought more than 20 million full pages for £40,000.

An additional feature of the promotion reflected the current popularity of schemes tailor-made for individual retail groups. This was an offer in which the consumer was able to double the refund by providing proofs of purchase shewing that all the products had been bought from the same retailer.

The gold award, for the Pick the Perfect Husband Competition by *Cadbury and Woman's Own*, again illustrates important trends. First, the promotion, which was devised by Marketing Solutions, was another joint effort. And again it aimed at solving specific problems: Woman's Own needed something to boost its falling circulation, and Cadbury wanted to stem the down trading from chocolate coated to plain biscuits. Third, it was an excellent example of the closer linking between promotions and the media. It was carried in a double page editorial spread in the magazine, and both companies benefited from the supporting advertising on television and at the point-of-sale.

But in terms of results, the Kellogg's Corn Flakes/British Rail free rail tickets for children promotion, created by CDP's The Sales Promotion Company, was the most impressive. Indeed, were it not for the fact that the SPEA considers it impossible to check on results and prefers *to make qualitative assessments* of the promotions, Kelloggs/BR must surely have won the grand prix. By the time the scheme closes in June it is estimated that BR will have given away some £5m. worth of free tickets.

The promotion, which was based on coupons on Corn Flake packets, offered free rail travel for children over any distance, so long as they were accompanied by a fare-paying adult. BR must be well satisfied with the result, and a rate of redemptions, running at 40,000 per week suggests that Kelloggs' aim of encouraging repeat purchases must have been achieved.

So here again we have an example of a joint promotion which was successful because it offered genuine value for money—some families got £40-worth of tickets. Perhaps it is no coincidence that British Rail is now introducing a scheme whereby children can travel anywhere in the U.K. for 25p and 50p if accompanied by an adult.

Another railway promotion, but of a very different kind, won a gold award in the miscellaneous category and demonstrated the versatility of the medium. The Locomotion Trust, which attracted 350,000 people to the 150th anniversary of the first steam-hauled railway journey last August, used a replica of the original Locomotion engine to obtain advance publicity for the event. In fact it resulted in some 5,000 column inches of Press publicity, plus several TV appearances, and all this was supported by T-shirts, trays, tea-towels, etc., bearing pictures of the engine.

Other gold awards were won by two cigarette promotions. Kingsland, Lloyd Petersen put together an imaginative Win Tomorrow's World competition to help prevent down-trading from Wills' Embassy to cheaper brands. The prizes were all futuristic (micro-wave ovens and quadrophonic sound systems, for instance) and entries had to be made by punching holes in computer cards.

The Colin Bishop promotion for Benson and Hedges, by contrast, offered buyers of Luxury mild cigarettes in *NAAFI* shops and duty free shops the old-fashioned opportunity of sending an orchid to a friend. The object was to encourage repeat purchase of the new brand and to help establish its mild, feminine image.

But perhaps the most significant entry only won a silver award. This was a promotion devised by Brunning's Leeds office for *Yorkshire Imperial* Metals to promote the sale of central heating fittings to Dutch plumbers and builders' merchants. It wasn't a particularly clever promotion—week-ends in Yorkshire were offered in return for the correct answers to questions about the number of fittings used in Dutch houses—but the point is that YIM is an industrial goods company, and *promotions* are so neglected in this field that they don't have to be brilliant to be very successful. YIM put its sales up by more than 100 per cent.

** Michael Rines is editor of Marketing*

The Kelloggs pack promotion has cost the company £5m. in free rail tickets and the Locomotive attracted 350,000 people last summer.

Kellogg heads the pack

BY PAMELA JUDGE

NEARLY 1,000 premium promotions were recorded last year by MS Surveys and Promotional Services. In presenting the annual Guide to Premium Users, MS points out that promotions were up 15 per cent. on 1974 and 61 companies are new to the list.

The top five premium users were Kellogg (for the fourth year running) with 43 recorded promotions, followed by Quaker Oats and Beecham Foods sharing second place with 28, Nabisco (27), General Foods (26) and Lyons Tetley (25). It is the first time a non-cereal company has nudged into the top three.

Rowntree Mackintosh led in the self-liquidating premium sector with 16 promotions. Self-liquidators are defined as items which can be bought at less than retail price plus proof of purchase and General Foods and Quaker Oats both used 14 such offers.

Give-aways (free in-store with the product) were favoured by Nabisco (18) and Kellogg (10) as the leaders. Contests were run by nearly a 100 companies and were most favoured by Cadbury Schweppes for its confectionery which used 12 such promotions.

Free mail-ins (gifts in return for labels) were employed by Kellogg (16), Beecham Foods (14), Van den Berghs (12) and Quaker Oats (10) as well as others. The number of dealer premiums recorded was just six and the banded packs type of premium also attracted a lower number of users compared with the other fields.

According to MS, the tendency of supermarkets to downstock by concentrating on fast-moving brand leaders has forced smaller companies to respond by raising their promotional activity. And the size of the housewife's purse has made her more bargain-conscious.

The upward trend of premium use has apparently continued with an increase of 16 per cent. in January against the same month in 1975.

Also in the Guide, which costs £80 from MS Surveys, Hesketh House, Portman Square, London W1H 9FG, is a list of addresses, telephone numbers and executives of the 220 companies mentioned.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)
Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

THURSDAY, APRIL 1, 1976

The need for a consensus

THE EUROPEAN SUMMIT meeting, which opens to-day in Luxembourg and continues to-morrow, has two central issues on its agenda: proposals for directly electing the members of the European Parliament, and the general problem of closer economic and monetary integration in the light of the report tabled three months ago by Mr. Leo Tindemans, the Belgian Prime Minister. Recent events have reduced the prospects that the heads of government will be able to reach clear-cut decisions on either of these issues by to-morrow night. But the debate should provide significant indications of the seriousness (or otherwise) with which the member States are prepared to grapple with the questions of political and economic unity in Europe.

Setback

The French Government coalition suffered a serious psychological setback in the recent cantonal elections, and it has come under increasing pressure from representatives of orthodox Gaullism since then to revise its support for the principle of direct elections to the European Parliament. It is unlikely that the French President will succumb entirely to this pressure, since it was he who re-launched the idea of direct elections.

The primary argument is over the relationship between national seats and national population. The smaller member States, like Ireland, claim a disproportionate number of seats, as if to compensate them for their relative vulnerability in the Council of Ministers. The French Government maintains that national population size should be given greater weight, and the British Government, without being firmly committed beforehand, now tends towards the French view. A compromise cannot be ruled out this week, though a postponement of a decision until the next Summit in the summer seems at least as likely. Any further delay beyond the *summer might be interpreted* as a determination on the part of one government or another to ensure that direct elections could not take place by the target days of 1978.

Recent disturbances on the international currency markets, and the enforced departure of the French franc from the European *currency "snake," have* inevitably undermined what little force there was in Mr. Tindemans' suggestion that the snake should be the basis for further progress in economic and monetary union. But the *interesting question is whether* the general idea of economic integration has, by association, been discredited in the eyes of member States, or whether on the contrary they may not be stimulated to think more seriously about the problem than they have in the past. The French Government has reportedly prepared proposals for giving greater flexibility and strength to the snake arrangements, and the British Government would no doubt be ready to discuss the French ideas, even though there could be little prospect of the U.K. rejoining any kind of snake until, at the very least, the British inflation rate had come down to a level comparable with that of our main European competitors.

Unemployment

But no technical device for currency stabilisation can be a *meaningful* substitute for serious and determined efforts to bring about a solidly based convergence of the economies of the member States. The British Government has stressed the need to see what the Community *countries can do together to* tackle what appears to be a structural problem of unemployment. It would be equally valid to examine ways of bringing about Community convergence in productivity, investment, regional development and economic growth.

The Tindemans report admits, correctly, that there is as yet no technical or political consensus on how to achieve economic union in Europe. This week's meeting may show whether the member States are prepared to hammer out such a consensus.

Squaring the South African circle

THE SITUATION which the South African Finance Minister, Mr. Horwood, faced yesterday in presenting his 1976/77 Budget was exceedingly complex, not least because of the impossibility of drawing a firm line between economic and political considerations. The state of the South African economy is always affected to a considerable extent by the price of gold, and its state at present is largely due to the assumptions made last year that the gold price would remain high and that world trade would recover fairly quickly. *Neither* assumption proved to be justified. The gold price, depressed by the threat of sales by the International Monetary Fund, has settled down at a much lower level than expected 12 *months ago, while the recovery* in world business activity and trade is only now beginning to gather momentum.

Government spending in South Africa was therefore higher than circumstances warranted while tax revenue was lower. The result was a large public sector deficit, which led to a steep increase in public debt and helped to produce a rapid rate of inflation, and a large balance of payments deficit only partly offset by a relatively high level of inward investment from abroad. One good result of this deficit was that the economy continued to grow, though at a much reduced pace; but the situation was clearly unstable.

Higher taxes

Devaluation of the rand, while adding to the upward pressure on prices, has helped *to keep export prices* competitive, and there has recently been some tightening of bank advances and monetary policy in general. It was generally expected that the Budget would also have to be restrictive, though *there were sharp* differences of opinion about the extent to which the Government should meet its deficit—it had already announced cuts in the previously projected growth of public expenditure—by tax increases and further *inflationary* borrowing to keep the economy on a slowly rising curve of growth. In the event Mr. Horwood seems to have steered a middle course, with an increased surcharge on the basic rate of income-tax as well as increases in a number of direct taxes and in undistributed profits tax, but with a sizeable borrowing requirement as well —to be partially met by the issue of special Defence Bonds.

The need for a high level of defence expenditure, up by nearly 40 per cent. following the increase of tension in *Southern Africa, is perhaps* the most frequently mentioned restriction on the Finance Minister's freedom of manoeuvre. But economic growth is itself now a consideration of key political importance. It is economic growth which has in the past enabled South Africa gradually to improve the conditions of the black population. Any halt to growth, at a time when the domestic black population is itself becoming more restive, would be a political disaster quite as potentially serious as a continuing high rate of inflation.

Investment flow

It is hoped, in fact, that economic growth in South Africa this year will be at much the same 2½ per cent. rate as in 1975, that voluntary restraint will help to reduce the pace of inflation, while tighter credit will reduce the effect of leads and lags on the balance of payments. But South Africa is essentially gambling for the time being on three probabilities. The first, that the IMF will not, for the sake of the developing countries, depress the gold *price too far, and the second,* that reviving world trade will soon increase demand for South African exports, seem reasonable enough. The third, that foreign investment in South Africa will continue at much the same level despite the worsening political situation and the high level of defence expenditure, is perhaps more questionable. But the Budget is essentially only the latest careful step *in a continuing tight-rope act.*

On the left: the older Michael Foot, inheritor of Bevan's mantle, makes a point with Celtic zest. On the right, Foot the younger in 1945, appeared a natural dissenter at first sight.

Mr. James Callaghan in 1948 as Parliamentary Secretary at the I
of Transport, looking the typical ex-naval man. On the right, a
and knowing glance from the Foreign and Commonwealth Secr

The spring of two autumn m

By PETER HENNESSY, Lobby Correspondent

ON MONDAY evening, one of the last of the exceptionally good 1945 vintage of Labour MPs will assume the office of Prime Minister. Ironically neither of the two candidates conforms to the stereotype of the young, middle class professional who seemed set to monopolise for a generation the highest positions in public life in that pink dawn 30 years ago.

Mr. James Callaghan and Mr. Michael Foot were *born within two years of each* other in widely different circumstances: Mr. Foot, the son of a non-conformist West Country *solicitor, who was later a Liberal* MP and a Minister in Ramsay Macdonald's National Government: Mr. Callaghan, the son of an Irish RN petty officer and an English mother, soon to be widowed and plunged into relative *poverty.*

Strenuous rise

Their paths to Westminster were vastly dissimilar. Mr. Foot's was a progression through public school, Oxford and the most alluring and metropolitan Left Wing political and literary circles to adoption as candidate *for Devonport. Mr.* Callaghan's was an infinitely more strenuous rise from secondary school, through the clerical ranks of the Inland Revenue, trade union office and service in the Navy before winning adoption in Cardiff South.

At first sight in 1945, Mr. Foot, pamphleteer, critic, orator, appeared a natural dissenter: Mr. Callaghan was plodding, cautious, middlebrow, one of life's number twos. Neither seemed the stuff of which Prime Ministers are made.

Their political patrons are a fascinating commentary on that perennial source of native curiosity—the British class structure. Callaghan, with his lower-deck background, was adopted by Hugh Dalton, the bouncing, booming old Etonian Chancellor of the Exchequer who saw him as "a lively new arrival." He made him his deputy in the Labour delegation to the consultative assembly of the Council of Europe and Mr. Callaghan became a member of what Nicholas Davenport called the "Fun-Fabians," *engaging in* "hearty walks" in the Vosges Mountains with Dalton and two of Mr. Callaghan's recent rivals for the leadership, Mr. Denis Healey and Mr. Anthony Crosland.

Dalton never subscribed to the pedestrian view of his protégé, and said he was one of the most intelligent, lively and amusing members of the new intake. His written report to Attlee from Strasbourg still *has validity. "Jim Callaghan,"* Dalton wrote, "picked up the rules very quickly and, as I expected, did well. He had been working up his French and, by the end, seemed to understand a lot and spoke quite passably. He is, as you know, a cheerful companion and a very capable and self-confident man."

Michael Foot's devotion to Aneurin Bevan, dating from 1935, was the far side of *idolatry. Discipleship is a very* pronounced trait in Foot and it was lavished upon Lord Beaverbrook and Sir Stafford Cripps as well as Bevan. "My father-figures have been a bit of a mixture but they are a *pretty good selection,"* said Mr. Foot, with more than a faint trace of self-irony, this week.

Beaverbrook, almost a parody of the Tory Press lord, is by far the most incongruous. Bevan's widow, Lady Lee, says he was only interested in political virgins and lost interest in people he had raped. Mr. Foot agrees. Many people were seduced but never Nye or himself.

True to form, Michael Foot spent 1945-51 sniping at the Government and infuriating the Foreign Secretary, Ernest Bevin, with what the great man saw as an attempt at sabotage by the *Keep Left* group (precursors of the Bevanites and Tribunites) on his efforts to rebuild Europe as a bulwark against Soviet advance.

Also true to form in his way, Mr. Callaghan spent the same period winning a reputation as an attractive, if not outstanding debater and progressing up the ladder of junior ministerial office. He wrote to Bevan in 1951, who was then threatening to resign over Health Service charges, urging him to think again because a majority of the Parliamentary Party and the constituencies supported the Cabinet's decision. Mr. Callaghan has never been one for "gesture" politics.

Tolerant and affable but deeply suspicious of excessive heterodoxy, he took a different line from Mr. Foot on nearly all the issues which split the party in the Bevanite heyday following the fall of the Attlee government. Always an Atlanticist and a firm supporter of Nato, he had no truck with the advocates of nuclear disarmament, unlike Mr. Foot who was a leading light in CND and the Aldermaston marches. As recently as 1961 Mr. Foot had the whip withdrawn for voting against the Army and Air estimates.

Mr. Foot continues to maintain that Britain had a chance to influence the world through unilateral disarmament in the early 60s. But his view, like Bevan's before him, has become noticeably more pragmatic. (Since Bevan's death in 1960, his friends say Michael Foot has become his own man for the first time in his life, a fact not yet appreciated by the public at large.)

Stereo-type images

Their lives during the 1964-70 Labour Governments, in a sense, belie their stereotype images. Mr. Foot remained outside the Government throughout. He was its foremost critic but made it his business to ensure that the Wilson governments — for all their aberrations — were not pushed to the point of destruction by backbench revolt.

Mr. Foot was not offered the Home Office in 1965 as has sometimes been suggested. A very tentative hint was made that he might like a post in the Ministry of Technology if, as expected, Mr. Frank Cousins, decided to return to the Transport and General Workers Union. Nothing came of it.

Mr. Foot insists, however, that after his election to the Shadow Cabinet in 1970 and his work on the Labour manifesto he had not the slightest personal objection to joining the Government in 1974. Had he been in *an identical position in 1964* he would have done the same "I'm not interested in dissent *for dissent's sake,"* he says. To illustrate the point he tells a charming story about his favourite Speaker's Corner orator *before the war—Bonar* Thompson—who had been a conscientious objector during World War I: "I didn't join up because I wasn't asked in the proper manner," the colourful Ulsterman said.

Mr. Callaghan's ministerial experiences in that period, first at the Treasury then at the Home Office, do not quite fit the stereotype either. He was not a pedestrian mediocrity, completely putty in the hands of his *civil servants. Though he did* not question the wisdom of holding to an overvalued exchange rate until devaluation was forced upon him in November 1967, it was very much Mr. Wilson's personal policy that he was faithfully carrying out. For all his inability to grasp the intracacies of financial policy, and his need to read a complicated brief several times, his advisers at the Treasury thought him underrated and point to his *formidable* skills as an international negotiator that were particularly successful in launching Special Drawing Rights.

A man of immense resilience, he recovered rapidly from the trauma of devaluation. He offered his resignation from the Government but Mr. Wilson asked him to swap with Mr. Jenkins at the Home Office. Home Office officials, ever sensitive about their department's reputation as a political graveyard, believe that like Lord Butler and Mr. Jenkins he enhanced his standing as Home Secretary, possessing, like Butler again, an ability to sense trouble in this vast, accident-prone area of responsibility even before it had happened. They, like their colleagues in the Treasury, were uneasy, however, about his tendency to overvalue his personal skills to the detriment of sustained, detailed administration and analysis.

For many MPs, Mr. Callaghan first demonstrated his Prime Ministerial calibre during the Cabinet and party battles which accompanied the White Paper *In Place of Strife.* Later excluded from the "inner Cabinet" for his firm opposition to compulsory trade union legislation, he became a focus in 1969 for dissatisfaction with Mr. Wilson's leadership. But his robust approach to Northern Ireland, and law and order generally, combined with his high standing in the Labour Party, made him virtually unsackable.

For Mr. Foot, power is still a novelty. He continues to regard himself as a writer first and a politician second. Asked to name the high point of his career so far, he replied without hesitation: "The best thing I have done in my life is to write the biography of Aneurin Bevan." He is, however, fiercely proud of his rôle as Secretary of State for Employment in sustaining the compact with the trade union movement, the cornerstone, as he sees it, of the Government's entire economic strategy.

"He admits he finds administration difficult, and that he has no particular flair for it. He sees it in terms of picking the right people to run the Advisory Conciliation and Arbitration Service and the other bodies within his departmental orbit.

In contrast, Mr. Callaghan, who has never been off the Front Bench since he became a junior Minister at Transport in 1947, is easy and familiar with the ways of power. Whitehall-watchers say he has enjoyed the Foreign Office which has allowed him to display his personal talents to their best advantage. His image as the elder stat
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MEN AND MATTERS

Spotting the 76 progression

Issues and redemptions have both raised their heads in interesting fashion in the past couple of days. Starting with redemptions, an eagle-eyed reader spotted an apparently incredible coincidence in the Bond Drawings for the Granges AB 9½ per cent. Bonds, 1985—one of those issues where tranches of the bonds are redeemed progessively on a lottery basis prior to final redemption date.

In this year of 1976 my correspondent spotted the numbers of the bonds drawn at random for repayment progressed at startlingly regular intervals of 76 from No. 2 to No. 6,082 and then again from No. 9,134 right up to the final number of 19,926.

A self-confessed numerologist, Charles Wilson (the reader concerned), has calculated that the draw — all above board because there was a Notary Public present—showed a 98.4 per cent. preference for differentials of 76. He also hopes that "with enough concentrated study" amateur numerologists might be able to find their lucky system (every roulette player's dream).

Alas, no such luck. A call to Warburgs, the merchant bank responsible for the Granges bonds, made it clear that it is all down to computer efficiency. The computer is told just how many bonds are due to be redeemed, and picks at random a number from which to start: and then automatically works out the correct number spacing to redeem the right number of bonds.

Why then not a 100 per cent. correlation to the 76 progression? The answer: the company has repurchased some of its bonds in the open market, and the computer is programmed to leave these out of the reckoning.

"We've changed our stand, but can they deliver?"

Perhaps more glamorous, initially at least, is the issue aspect. A prospectus carried in to-day's FT—for information only—announces that "H.H. The Ruler of Dubai" has raised a five-year loan of $150m. organised by a normal banking syndicate. A bit of a risk you might think for hard-headed bankers to put that much money on one man, but inevitably the small print ties it up. The loan agreement is binding not only on His Highness, but also on whoever succeeds him, and also on the Emirate of Dubai and its dependencies.

The Good Fight

Talking of redemption, but in a slightly different context, the Lord's Day Observance Society is having some problems with Glasgow Transport Authority. The LDOS together with the Trinitarian Bible Society and the Protestant Truth Society is running adverts on Underground trains in both London and Liverpool which do no more than spell out the Ten Commandments.

On the London underground the three religious groups have a one year campaign involving 500 adverts at a cost of some £1,600. However the GTA has so far refused to take any advertisements (this costing *itself £1,000 in revenue)* because of its ruling: "no advertisements of a religious nature."

The LDOS is trying to get Glasgow's transport people to relent. After all the Glasgow City motto is "Let Glasgow *flourish by the preaching of the* Word."

Stout takes the NEDO plunge

David Stout describes his appointment as economic director of the National Economic Development Office as at last "plunging into the icy water." For 14 years, he has been associated with NEDO, even being economic director for a couple of years, but retained throughout that time a firm hold on the academic life.

Now, despite the "absolute heartbreak," 44-year-old Stout is *relinquishing an economics* fellowship at University College, Oxford. He is willing to make the break because of the Office's increasing concentration on one of Stout's own pet interests, industrial restructuring. It was a *theme officially* blessed by the Government before the end of last year, though little concrete has come of the new strategy so far.

Stout seems undaunted, believing that advisers like himself have a duty to present "tough papers" to the three-sided meetings of the National Economic Development Council. In his years as a consultant to NEDO, he has put in groundwork on several precedent-setting policies, including the likely impact of VAT and the concept of threshold pay agreements.

The latter came during his previous stint as NEDO economic director, in 1970-72, which actually covered five university terms during a leave of absence from his fellowship. No-one else has had the economic director's title inbetween; Stout has been continuing to present papers from outside but sees no future in such a task getting only one day a week's attention.

Stout has a slight but unmistakable Australian accent, first gained during his boyhood out there (though he had been born in North Wales) and given a boost lately by a four-month stint advising two Australian Governments.

He was a close witness to the *intriguing national debate over* the country's wage indexation system, about the only one operating outside Brazil. The Whitlam Administration (and, in most respects, Stout himself) supported the concept. The *new Fraser government,* keen to crack down on wage rises, has been less enthusiastic.

Stout said Australian economic problems, magnified by the previous government's eccentric money-raising plans, can *never be overwhelming* because of the "sea of resources" and a small labour force. But what about us? Stout is not too pessimistic: "The fact we've fallen so far behind gives potential for abnormal growth."

The thirsty look

A friend walked into a cocktail bar in an Austrian skiing resort and was asked by the barman what she would like to drink. "Dry Martini please," she said. She was presented with . . . three Martinis.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Import controls and the coming Budget

THE GREAT attraction of import controls is that they appear costless on a simple minded arithmetical view. Put a ceiling on imports. This eliminates the payments deficit. We can then expand demand rapidly without running into the red and can have a 5 per cent. growth rate up to 1980. That is the contention of the Cambridge Economic Policy Group.

The crude remedy of keeping out foreign goods is the one that would naturally have occurred to a tired businessman harassed by competitive pressures, when he is propped up against the *clubroom bar, and would do so* without the aid of sophisticated statistical projections of the kind provided by the Cambridge Economic Policy Group.

But of course such controls are not costless. First of all they would have to be imposed on a very narrow basis. Total imports are running at about £25bn. a year. Of these about £13bn. are manufactures or semi-manufactures, on which the Cambridge Group would levy the controls. Semi-manufactures, apart from textiles and steel, account for well over £5bn. It is reasonable to regard these goods (which include chemicals) as components which *British industry could not easily* do without. Otherwise, the increased price competitiveness brought about by the depreciation of sterling would already have caused a shift to British substitutes. The same would apply to about £4bn. of machinery imports. With a great deal of luck we might be able to apply import controls to about £1bn. of imports of semi-manufactured goods and machinery. If we add in all remaining imports including cars, durables and consumer goods, as well as textiles and steel, we reach a base of £5bn. on which to apply the controls.

What would be the effects of reducing these imports by, say, £4bn.? To achieve such a drastic cut without import controls would involve, according to preliminary estimates of reputable economic forecasters, a 200 per cent. duty *on the imports in* question.

You might say that import quotas are an alternative to the duty increases, and that price controls will prevent makers of British substitutes *from raising* their prices. But in that case, there would be severe shortages, leading to queueing, black markets and official or unofficial rationing. The price effects would have been suppressed rather than eliminated.

Consumers would be deprived of the goods and services they wanted to buy and forced to do without or make do with inferior alternatives. There would also be a loss in business efficiency, as no real division between consumer and producer goods is possible. According to the preliminary calculations cited, the loss to British citizens—in terms of what they would pay for the goods of which they would be deprived by controls—would be £4bn. or about 4 per cent. of the national income. If imposed all at once, it would be equivalent to a 10p (or two shillings in the pound) increase in income tax. This would take the basic income tax rate, together with the national insurance contribution, to above 50 per cent.

Burden

The true size of the burden would become clear if the import licences were auctioned, and there were a market in the *coupons for British substitutes* which would have to be rationed. Without such auctioning, the import licences would provide an enormous windfall to the businesses which were granted them; and British consumers, including the very poorest, would suffer needlessly if they could not trade in the coupons they did not happen to want.

Obviously these calculations are subject to a wide margin of error, but no more than those of the Cambridge Group. They illustrate, however, that two sides can play at the numbers game. More important, they show that the Cambridge Group has ignored completely considerations which are at least as important as those covered by their arithmetic.

All the above calculations ignore still more important facts. They ignore the adverse effects of a protected environment on the efficiency of British industry. We do not know whether the labour force and output per man will *really grow* fast enough to provide a 5 per cent. growth in output—about twice what we have had in the past. And even if the manpower potential were there, it is extremely doubtful if the physical capacity is available to support such a growth rate. Moreover, long before the limits of capacity in some general statistical sense were reached, specific industries on which we *would be relying* to replace imports, would be running into bottlenecks.

There is here no need to look at the crystal ball. We have only just begun to come out of what has been hailed as the deepest of all postwar recessions. Yet already unfilled vacancies have been rising for three months running, and overtime has been growing since September. This does not suggest that there are *vast reserves of usable capacity* waiting to be brought into operation by import controls. To take one glaring specific instance: would anyone suggest that British car output would be higher with such controls, when the industry cannot supply the vehicles to meet existing demand?

* * *

THE LABOUR leadership election has been a heaven-sent blessing in drastically curtailing the amount of pre-Budget speculation. The import control agitation has also diverted attention from the silly guessing game to which we discover the answer all too soon.

Nevertheless, there are signs that Treasury Ministers are thinking of a major revamping of the tax system. The basic idea seems to be to find ways of reducing the tax burden—sorry, its rate of increase—on higher incomes in return for other measures to reassure egalitarian sentiment. On one side of the equation are the raising of the starting points for the higher tax rates, reducing the investment income surcharge and some elements of indexation, of which the capital gains tax is the most likely object. On the other side are promises about the wealth tax, raising the rate of capital gains tax towards the normal income tax rate and a clampdown on business expenses and entertainment.

It is impossible to square circles. But it is possible to improve horizontal equity; in other words, tax people more nearly according to their actual means, instead of their skill in obtaining income in particular *forms*. It is also possible to change expectations, if these are needlessly pessimistic; and here is where indexation could be important.

In the meanwhile, let us not overlook the balance between revenue and expenditure, which is still the Chancellor's main responsibility. We are approaching the stage in the business cycle—the early stages of recovery—when fatally wrong decisions have been taken in the past.

A no-change Budget, which would involve a large increase in the *real* personal tax burden, might well lead to a reduction of about £2bn. in the public sector borrowing requirement, if this is expressed in constant prices and adjusted for the effects of the recession. This has been done in the accompanying table on the basis of Cambridge assumptions, which are much more reasonable in relation to public finance than to other matters.

In actual unadjusted money, a no-change Budget may mean *little change in the borrowing* requirement, which would actually fall by a couple of per cent. as a proportion of the national income. The Chancellor may therefore feel he has scope for some nominal income tax relaxations.

My emphasis is on "nominal." For even if there is some increase in the drink or other Excise duties, which have been eroded by inflation, the *personal tax "relaxations"* will really be no more than reductions in the rate of increase. They will still be more than we can afford on the basis of present public spending plans. For the borrowing required—best measured by the *last line* of the table—needs to come down more quickly, not more slowly.

There are reports that the adjustment in personal taxes may come in two stages: one immediately and the other conditional on the agreement of the TUC to a lower wage norm of, say, 5 per cent.

This is a most dangerous game. A lower wage norm itself boosts output and employment with an unchanged monetary and fiscal policy. For less of any given increase in monetary demand is frittered away in wage and price increases and more is available to boost real spending; and if the exchange rate is less than perfectly flexible, overseas orders are also likely to be boosted.

To superimpose an additional fiscal boost on top of this automatic stimulus is asking for trouble. A double boost to an economy already well on the upturn is a recipe for repeating all past errors. No incomes policy guidelines can survive a sufficiently brisk rise in the *demand for labour*. Unfortunately, labour shortages can appear in key sectors even when total unemployment is still worryingly high, because of the rigidities and distortions of the labour market.

Recovery

In the past few weeks we have had labour market figures which show that recovery is well under way. This is also shown by the February money supply figures, which were sufficient to convert an earlier picture of monetary stagnation to one of monetary growth of 8 per cent. to 16 per cent. at an annual rate (no apologies for the range). Any further acceleration would be demonstrably inconsistent with getting inflation into single figures. The latest indicators thus show the need for a tightening not a loosening of fiscal policy.

The Chancellor needs to make an immediate start in reducing the borrowing requirement absolutely in current *money* as well as a proportion of the national product. He could in principle control the money supply without such a reduction, provided he were prepared to let interest rates rise sufficiently.

But not only is this unlikely in practice. There is a much more fundamental non-monetary reason for reducing the Budget deficit. Preoccupation with demand management and short term forecasting had made people forget that the most important aspect of a Budget deficit is that it is dissaving—which is only a virtue in exceptional periods of recession when the private savings ratio is *rising. The more normal effect* of a Budget deficit, as we shall see during the present business revival, is to push interest rates higher than they would otherwise be.

This refers to real interest rates and not just nominal interest rates distorted by inflation. For as private investment and stock building recover, together with private consumption, a braking force is required to balance the system. To accommodate the public sector dissaving, private investment must be held back; and this is the function of the rise in interest rates.

I have never believed in investment as the magic key to productivity. But new capital is required to provide employment for those displaced by the existing rise in productivity and by demographic changes—let alone to absorb the manpower which would be released if overmanning were tackled seriously. A sustained reduction in the Budget deficit would do more to boost investment than all the selective incentives invented by every Chancellor since the war.

There is, however, something which would do more still. This would be the abolition of price control. Restoring the price mechanism as a means of economic co-ordination, and restoring the prospect of profit on risk investment to both State and private industry, would be worth all the import controls in the whole of the Cambridge Economic Review.

Of course, I do not expect to see a major reduction in the actual Budget deficit or an abolition of price control. In both these respects, the Chancellor is likely to *follow* St. Augustine's motto: Make me chaste, but not yet. It is the unemployed rather than the economic commentators who will suffer from the delay in seeking redemption.

ADJUSTED[1] PUBLIC SECTOR BALANCE (£bn. 1975 PRICES)

	1975 actual	1975	1976	1977	1978	1979	1980
FINANCIAL BALANCE[2]							
On Cambridge assumptions[3]	−9.2	−7.4	−5.6	−2.9	−0.4	+2.7	+4.6
On lower employment assumptions[4]	−9.2	−8.9	−6.9	−4.2	−1.1	−1.1	+2.8
PUBLIC SECTOR BORROWING REQUIREMENT[5]							
On Cambridge assumptions	−10.6	−8.8	−5.7	−2.8	−0.8	−3.2	−5.2
On lower employment assumptions	−10.6	−10.0	−7.8	−5.0	−1.8	−0.5	+1.3

1. *Adjusted on a "constant employment" basis to eliminate cyclical distortions, and assuming zero current payments deficit (except 1975 actual column).*
2. *Excluding Capital Taxes.*
3. *As in Table 7.2 of Cambridge Economic Review. Assumes 650,000 adult unemployed.*
4. *Assumes 929,000 unemployed (that is average 1975 level).*
5. *Adjustments to Cambridge figures by the Financial Times. Borrowing is shown as negative.*

Letters to the Editor

Easier money required

From Sir Roy Harrod.

Sir,—May an Oxford economist be allowed to express agreement with the Cambridge group, which, as reported in your issue of March 29, favours import controls as the best method for getting our external balance of payments right. Statistical analysis suggests that sterling is already undervalued in foreign exchange markets; and a further devaluation might well make our external balance of payments worse, rather than better.

But he cannot agree with those who reject a fiscal stimulus to reduce unemployment. Interest rates here are fantastically high by all historic precedents. At the same time the propensity to save has never been so high—a flagrant contradiction. No wonder we have high unemployment. We need easier money to stimulate investment and also to encourage the authorities to spend more by loans on urban renewal and the preservation of the countryside.

Roy Harrod.
The Old Rectory,
Holt, Norfolk.

Export prices

From Mr. P. Longton.

Sir,—Your correspondent W. Grey (March 27) is mistaken in believing that devaluation permits increase of export prices only to the exact level of the declared devaluation.

Invoice prices following, say, a 10 per cent. sterling devaluation can be increased by the reciprocal of 10 per cent. that is 11.1 per cent.—reflecting the same amount that import costs are increased by. For example: "Say old export price £100=$193 (exchange rate of $1.93=£)
then new export price is
£111.1=$193
(exchange rate $1.737=£)
1.930—1.737=0.193.
0.193 as percentage of 1.930=10 per cent.
but 0.193 as percentage of 1.737=11.1 per cent."

Other considerations being equal, therefore, goods invoiced in foreign currencies would remain at former prices while goods invoiced in sterling would be increased by 11.1 per cent.—with the same effect in each case.

I agree with your correspondent that devaluation is not the panacea that it is made out to be. It is a desperate measure and an admission to the world of one's economic failure.

P. H. Longton.
37, Hale Road,
Widnes, Lancs.

Guilt and empties

From the Director General, Dairy Trade Federation

Sir,—I hope that the glass manufacturers' campaign (March 30) to ease the "guilt" of those who throw away empty bottles will not be taken too seriously by the milkmen's customers.

There is no surer way of ending doorstep delivery and stopping the dairy industry using glass bottles than to teach customers to throw them away. The system of liquid milk distribution in Britain, which is the envy of other countries, depends on the housewife leaving her empties out for collection every morning.

In Britain 33m. bottles of milk are distributed daily and it does not need much imagination to see the consequences to the environment if these bottles only made a *single* trip. The returnable milk bottle costs less than 1/10th of the non-returnable container. This factor gives us in Britain the lowest processing and distributing cost in the whole of the EEC.

J. R. Owens.
20, Eastbourne Terrace, W.2.

Lack of visual literacy

From Mr. R. Plummer

Sir,—Lucia van der Post does well to quote John Prizeman in her article of March 27. The trade gap *is a design gap*; and it is sad to think that it remains so *60 years after the then newly*-formed Design and Industries Association persuaded the Board of Trade to mount an exhibition of "enemy goods of successful design" based on precisely the same premise.

Two basic reasons for this British failure are first, the literary bias of our educational system; and, second and consequently, the low status accorded to the designer by society. Both need changing.

Mr. Martin of Warwick School put the case for a more civilised approach to education to the Headmasters' Association Conference last week. His proposals would allow time to be devoted to encouraging children to use *their eyes and to relate the de*sign of buildings and artefacts to painting and sculpture, to history, geography and social development.

Parallel with this long-term effort to reduce the visual illiteracy rate there should be a campaign to encourage manufacturers and others to name designers and to accord them praise or blame for their designs.

An instant way to achieve this would be a regular five-minute spot in someone's TV magazine programme. "Whoever designed *that?*" might confront the designer with an outraged (or enthusiastic) user of his product. The discussion could be both controversial and illuminating. The objects could range from a washing machine to a road junction.

Good manufacturers and designers would be glad to take part. Others would condemn *themselves by refusing to parti*cipate. "It is the creatures of the dark that fear the light."

Raymond Plummer.
Shoreham,
Sevenoaks,
Kent.

Education in design

From The Chairman,
National Council,
Design and Industries Association.

Sir,—"Whatever happened to Design?" It still is a meaty subject, but without the fat society the subject has become *a little lean. I can only echo* Lucia van der Post's appraisal (March 27) and observe the progress this country has made in the field of industrial design due to the work of the Design Council, the Society of Industrial Artists and Designers and the Design and Industries Association.

The association has continued to encourage management and designers to work in closer cooperation to achieve a greater investment in design and development of the product. On the other hand, consumer design education is influenced by the retailer who restricts the choice of products to what he thinks is commercially viable. For the retailers design and fitness for purpose is second to the dominating factor, the "retail selling price."

A neglect of design education handicaps the buying public's opportunity to make design conscious decisions. The DIA still strongly believes that the Department of Education should involve awareness of design within the daily school curriculum. Furthermore, we could make better use of our national Press and TV to make the public more sensitive to the positive value of design and therefore demand more. The cost to society is reflected in our inability to recognise this failing, and industry *will continue to* have to struggle until this point is corrected.

Cherrill Scheer.
12, Carlton House Terrace, S.W.1

Continuous devaluation

From Mr. A. Jacobs.

Sir,—Mr. Woolf (March 20) may be in error in blaming continuous devaluation of sterling entirely upon successive governments because there is ample evidence that Britain's current *economic policy is very strongly* supported by economic advisers at the Treasury and further supported by Mr. Gordon Richardson and his colleagues at the Bank of England. To this illustrious group must also be added numerous economists and economic commentators.

Their arguments, in a nutshell, state that if inflation is running in Britain at 22 per cent. and that the average rate of inflation in Europe is 12 per cent., then sterling needs to be *depreciated by about 10 per* cent. to keep our exports competitive. It is, however, unfortunate that account is only taken of the elasticity of the demand for exports without any regard to the inelasticity of demand for imports. If more than half our food and most of our raw materials must be imported whatever the cost, and if at least 40 per cent. of our export prices are derived directly from the cost of imports, then it is obvious, one would suppose, that *exports need to rise at a very* considerable rate to make up for the added cost of imports due to sterling devaluation.

Would it be unfair to liken the balance of payments deficit to that of a company making losses? Managements of failing industrial companies invariably see their salvation exclusively by the increase of sales, while I have found that the quickest road to prosperity is in the reduction of input costs and expenses. Likewise, if imports were to be reduced by £1m. there would be a net reduction in the balance of payments deficit of that sum, while if exports were to be increased by £1m. the reduction in the deficit would only be about £600,000.

If it were possible to produce *a revaluation of sterling of the* order of 15 per cent. the balance of payments deficit would be instantly removed and a real surplus would be achieved. It is surprising how invariably when sterling takes a sudden downward lurch all commentators claim that this will be of great assistance to the balance of payments by making exports more competitive. After a few weeks have elapsed, however, commentators and industrialists begin to point out that the cost of living will now rise again because due to devaluation the cost of oil, raw materials and food are rising. It is currently estimated that the very recent fall in the £ will in due course produce a 3 per cent. increase in *the cost of living and that rep*resents no less than one-third of the anticipated rate of inflation for the coming year. No doubt within a month or two exporters themselves will be explaining that due to rising import costs caused by sterling devaluation, they are obliged to increase their export prices.

Recent experiences by importers of textiles from Italy have shown that exporters are raising their prices by the day as the exchange rate of lira falls, *and furthermore that their in*creases are greater than the amount by which their imported material costs are rising. I am sure that exporters are experiencing a similar problem in this country when they know that their import costs must continuously rise due to a policy of continuous depreciation of sterling. Thus, most of the benefit of devaluation is lost within weeks or even days.

Are there no politicians, *economists or industrialists* willing to question whether devaluation may not in fact be a self-defeating policy which must be reversed if we are to prosper?

Anthony Jacobs.
Liberal Economic Panel.
30, York Terrace West, N.W.1.

Early warning system needed

From Mr. H. Reddin.

Sir,—Before retirement I spent 14 years with a progressive and efficient company in England; a company which is still thriving and will continue to do so because it is controlled by an understanding management. Strikes were not necessary *simply* because grievances were detected by departmental managers (of which I was one), brought to the notice of the general management and dealt with promptly.

To my amazement every strike in *our British Leyland* organisation appears to come as a complete surprise and has to be settled after it has started, instead of before. If Mr. Whittaker can find time to address a "hurriedly-convened meeting" (to quote the F.T.), why can he not get there *before* the men strike? Does he not have knowledge of trouble in the making? After all the problem will be resolved in the end, so why let it come to a stoppage of work in the first place?

Threatening the discontinuation of supplies of public money is a futile gesture. Imagine the state of affairs if Field Marshal Montgomery had said to the 8th Army: "If you don't shoot the enemy right out of North Africa *I won't let you have any more* ammunition." What he did do was to get among the boys and tell them to fire and fight like hell and he would see they got the supplies to back them up—in other words, he inspired confidence.

Coincidental with the establishment of confidence, a carrot must be held. The carrot for British Leyland workers is: their own prosperous motor industry: Jaguars winning at Le Mans, Austins and Rovers winning the major rallies, fewer imports and higher exports, a favourable balance of payments, lower taxes and more take-home pay.

Harry G. Reddin.
11, Muzzle Patch, Tibberton, Gloucester.

To-day's Events

GENERAL

Prime Minister and Mr. James Callaghan, Foreign Secretary, attend EEC summit meeting opening in Luxembourg.

Mr. David Ennals, Minister of *State, Foreign Affairs, holds talks* on Rhodesia with President Nyerere of Tanzania, Dar-es-Salaam.

Funeral of Field Marshal Viscount Montgomery of Alamein, St. George's Chapel, Windsor, at which the Queen will be represented by Prince Philip.

Mr. Robert Mellish, Government Chief Whip, speaks at British Leather Federation lunch, Hyde Park Hotel, S.W.1.

PARLIAMENTARY BUSINESS

House of Commons: Statement on Defence Estimates 1976. Consideration of Industries Development (Northern Ireland) Order.

House of Lords: Statute Law (Repeals) Bill, third reading. Seychelles Bill, second reading. Debate on EEC proposals relating to standards for lead; water for human consumption; titanium dioxide waste and dumping waste at sea. Short debate on Hong Kong.

COMPANY RESULTS

APV Holdings (full year). Aurora Holdings (half-year). London Brick (*full* year). *Mitchell* Cotts Group (half-year).

COMPANY MEETINGS

Aaronson Brothers, Savoy Hotel, W.C., 12. Allied Textile, Highburton, near Huddersfield, 11. Ball (W. W.), Abercorn Rooms, E.C., 11.30. Bath and Portland, Bath, 12. British American and General Trust, 20, Fenchurch Street, E.C., 12.45. Carrington Viyella, Dorchester Hotel, W., 12. Debenture Corporation, Winchester House, E.C., 12.15. Foreign and Colonial Investment Trust, 1, Laurence Pountney Hill, E.C., 12.30. Lloyds Bank, 71, Lombard Street, E.C., 3. Mann and Overton (*ordinary general meeting*), 298, Wandsworth Bridge Road, S.W., 12. Ritz Hotel (London), Ritz Hotel, W., 3. River Plate and General Investment Trust, 44, Bloomsbury Square, W.C., 12.15. Stockfis (Robert R.) (Manchester), 36, Chesham Place, S.W., 12. Tavener Rutledge, Liverpool, 12, followed by EGM. Thermal Syndicate, Newcastle upon Tyne, 2.15. Witter (Thomas), Withnell, near Chorley, 12.

COMPANY NEWS + COMMENT

Spirax-Sarco turns in record £2.7m.

TAXABLE profit of Spirax-Sarco Engineering, specialists in fluid control equipment, rose from £1.87m. to a record £2.66m. during 1975 after being up from £0.71m. to £1.21m. in the first half.

As forecast the dividend total is up from 5.01p to 5.63p net on increased capital—the Treasury has granted permission—with a final of 3.33p; stated earnings per 25p share, before extraordinary items, are 16.4p (12.3p).

The greater proportion of the improvement came from overseas companies and branches whose trading profit increased by 57 per cent., the U.K. contribution rising by 21 per cent. More than 43 per cent. of trading profit in 1975 resulted from overseas companies and branches.

	1975 £000	1974 £000
Turnover	20,127	16,021
Trading profit	3,278	2,439
U.K.	1,876	1,547
Overseas branches	1,402	892
Interest payable	615	569
Profit before tax	2,663	1,870
U.K. tax	747	547
Overseas	538	399
Net profit	1,378	924
Minorities	105	56
Extraordinary debits	31	25
Attributable	1,239	810
Dividends	487	312

● comment

With second-half pre-tax profits from Spirax Sarco a fifth higher than those of the first half, the full-year figure advances by 43 per cent. to a new record. To some extent the improvement is flattered by the depressed first half of 1974, when profits dropped to £707,000; but, that period apart, the underlying trend remains very firm, with consistent profits growth over the past four years. Spirax's performance rests on its vast customer and geographical *spread, plus the presence of a* large replacement market. Judging by the trend in interest charges—down to £220,000 over the last six months against £356,000 in the comparable period—borrowings have dropped fairly considerably from the £5m. of December, 1974, and probably by more than the £1½m. for which the rights issue would account. Spirax looks set to continue its growth pattern this year, and the shares moved 3p higher to 148p, where the yield of 6 per cent. is covered nearly three times.

INDEX TO COMPANY HIGHLIGHTS

CES surges ahead to £4.35m.

FOR THE YEAR to January 31, 1976 Combined English Stores, the multiple specialist retailing group, reports a sharp rise in taxable profit to a record £4.35m. compared with £3.51m. for the previous 53 weeks. And the directors state that they are confident *that the group will continue* to prosper. At halfway the profit advance was from £1m. to £1.43m.

For the year earnings per 12.5p share are given at 11.9p (9.6p) and the dividend total is lifted from 2.473137p to 2.639p with a final of 1.389p net.

*A valuaton of the group's free-*hold and leasehold properties, made at January 31 in the U.K. and Belgium exceeded book value by £5.45m.

The group's financial strength and liquidity was further improved during year and cash *on call or short-term deposit* at the year end amounted to £5.01m. the directors report.

	1975-6 £000	1974-5 £000
Sales excl VAT	51,614	46,296
Disposal props.	390	144
Pre-tax profit	4,353	3,505
Tax	2,240	1,802
Net profit	2,113	1,703
Extraordinary debits	*383	484
From reserves†	60	129
Pref. div.	16	16
Ordinary	488	476
To reserve	1,366	877

* Losses attributable to the termination of trading activities of Julian Swift (Home furnishers). † For hire purchase profit.

At January 31 fixed assets totalled £7.16m. (£8.25m.) and net current assets were £3.34m. (£4.38m.).

● comment

Combined English is 24 per cent. ahead pre-tax but within that the second half has made limited pro-*gress.* This is up by about 6 per cent., adjusting for the extra two weeks a year ago and £390,000 of property disposals this time round. The Harry Fenton and Salisburys chains have experienced solid volume growth, but household textiles have moved into the red at a cost of about £220,000. This year CE is hopeful about further profits growth; textiles are back into profits and, the Budget permitting, sales trends in fashion goods should stay healthy enough—once the distortion caused by last April's spending boom is out of the way. At 84p the shares yield a lowish 4.9 per cent. But earnings cover now extends to 4¼ times: property revaluations look like taking net worth up to over 70p a share, and at the end of January cash outstripped group debt by £1.7m.

Statement Page 23

Barr & Stroud setback

Engineers and instrument makers, Barr and Stroud reports turnover up from £5.06m. to £6.33m. for 1975 and profits of £304,209 compared with £762,848. After tax of £144,181 against £370,006 and extraordinary losses on investments of £28,432 against £200,743, the *net balance is down* from £174,007 to £131,306.

Earnings are shown to have fallen from 37.33p to 14.05p per £1 share. The dividend is lifted from 4.3223p to 4.82623p net.

Biddle's record £0.73m.

COMPARED with a forecast of a lower outcome, pre-tax profit of Biddle Holdings turns out to be a record £0.73m. for 1975, compared with £0.46m. the previous year.

When reporting first half profit up from £0.22m. to £0.37m., the directors said the upward trend would not be maintained during the second half owing to a fall in heating division orders.

They say now that output and profit for the last quarter were "above expectations." The group starts 1976 in a strong financial position and they "hope to maintain the current level of profitability."

Stated earnings per 25p share for the year are up from 6p to 8.3p—final dividend is 3.434p net, making 5.434p, against 5p. Total is the maximum allowed and absorbs £119,372 after waivers of [illegible].

The company makes and instals heating and air conditioning equipment, and lifts.

WEIR GROUP

The Weir Group has purchased £927,083 nominal of its 6¼ per cent. debenture stock and £1,028,380 nominal of its 10 per cent. debenture stocks for total considerations of £613,160 and £829,605 respectively.

Following these purchases there remains issued and outstanding at present, £353,477 nominal of the 6¼ per cent. and £321,620 nominal of the 10 per cent. debenture stocks.

Greenfield Milletts circular

SHAREHOLDERS OF the Greenfield Milletts stores and camping group, who were to have voted at to-morrow's annual meeting on a deal by which two houses were bought by the company from its two managing directors, have now received the promised circular on the subject from the Board. They are now to vote on the matter at a later extraordinary meeting.

This states that in February 1975 the company resolved to acquire, as capital assets, freehold residential properties at Kingston-upon-Thames and Richmond-upon-Thames then owned and occupied by the two managing directors, Mr. David Greenfield and Mr. John Greenfield. Both are sons of the chairman, Mr. Richard Greenfield.

The circular says that Mr. David Greenfield and Mr. John Greenfield had, at the time of the *rights issue in July 1972,* acquired, at the rights issue price, shares renounced by trustees of the Greenfield Settlement Trusts. This acquisition, which was in addition to the rights they took up on their own holding, was with the aid of finance from their own bankers.

In January 1975, says the circular, the two directors "being then concerned to reduce their burden of loan charges, decided to sell the properties."

The Board took the view, shareholders are told, that the pro-*perties were suitable for use* by their senior executive directors in the interests of the company. It was then resolved that the company should acquire the properties at prices to be determined by independent valuations. The two houses were valued at £103,000 and £63,000. Arrangements were made for the properties to be occupied by the two directors for licence fees of £2,700 and £1,800 a year respectively.

The purchase was financed out of the company's current resources except as to £100,000 which was borrowed from Guardian Assurance for a minimum term of 10 years at 14 per cent. interest, with certain security.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ash and Lacy	3	—	3.28*	5.4*	4.95*
Barr and Stroud	4.83	—	4.52	4.83	4.52
Batu Matang ...int.	0.38	May 18	0.38	—	1.63
Biddle	3.43	May 21	3	5.43	5
H. Brammer	2.82	—	2.56	4.22	3.96
Brent Chemicals	1.17(b)	July 16	1.33	1.92	1.53
Bridport-Gundry ...int.	0.6	Aug. 1	0.55	—	1.04
Burndene Invsts. ...int.	0.46	April 30	0.33	—	0.33
Combined English Stores	1.39	July 1	1.34	2.64	2.47
English American Bond	14p	May 16	11.75	18.88	18.43(c)
Equity and Law Life	5.44	June 17	5.1	5.44	5.1
L. Gardner	3	May 14	3	5	5
House of Fraser	2.5	July 2	2.39	3.88	3.64
I. and J. Hyman	0.81	July 23	Nil	0.81	Nil
Jardine Japan Inv.	0.8(d)	—	0.85	0.85	0.85
Legal and General	2.95†	—	2.76	4.65†	4.36
Malayalam Plnts. 2nd int.	0.35	May 18	—	—(a)	0.35
Patani Para ...int.	0.34	May 18	0.34	—	1.67
Pearl Assurance	6.74	June 9	6.1	10.24	9.6
Sirdar ...int.	1.04	May 19	0.95	—	2.28
Spirax-Sarco	3.33	May 15	[illegible]	5.63	5.01
Thurgar Bardex	0.56	—	0.22	0.58	0.52
Tilbury Contracting	11.03	—	9.76	16.53	15.26
Victor Products ...int.	1.08	April 26	0.99	—	2.46
James Warren	Nil	—	5.95	Nil	9.45

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Making 0.7p so far. Final dividend expected. (b) On capital to be increased by proposed rights issue. (c) Included 1.63p anniversary bonus. (d) Includes 0.25p (0.35p) special distribution.

H. Brammer earns and pays more

DESPITE A slight decline in the second half pre-tax profits of H. Brammer and Co. still finished 1975 ahead £227,000 at £2.51m.

Chairman Mr. J. E. Head says that the first quarter of the current year has been encouraging and there are tentative signs of some upturn in demand for the group's service and products.

Earnings per 20p share are up from 11.1p to 12.2p and the final dividend is 2.82p net for a 4.22p (3.96p) total.

Results include £194,000 attributable to Replacement Services and E. S. Heap and Co., to December 10, 1975, the date of the sale of these two subsidiaries.

The group has adequate cash resources for its foreseeable trading needs, states Mr. J. E. Head.

The major business of the group is the distribution nationally of replacement bearings, power transmission and other components to industry. In addition the group manufactures and distributes speciality transmission belting and rubber moulded components.

● comment

The rapid growth trend that Brammer's enjoyed in 1974 and which pushed the half-time pre-tax level up by 28 per cent., finally seemed to peter out in the second six months of 1975. Sales growth slipped from roughly a quarter to only 11 per cent. over the two half-years and with margins under heavy pressure, particularly from delays in passing on rubber price increases, the group suffered a marginal profits downturn in the second six months. Demand is still running at around the same level as in the last six months and, although recent price increases may enable the group to hold margins at present levels, the chance of any substantial growth this year seems fairly remote, especially since 1976 will be without the £194,000 profits of Replacement Services and E. S. Heap *and Co. However, these disposals* have substantially strengthened the financial position—cash now stands at around £700,000 against nil borrowings compared with net debt of £1.57m. a year ago—and the group's specialisation in the maintenance of capital equipment offers some protection against the currently depressed demand for capital equipment generally. The yield of 7.4 per cent. at 93p is well covered.

Advance by Tilbury Contracting

TURNOVER at Tilbury Contract-*ing Group improved from £25.41m.* to £28.81m. during 1975 and pre-tax profit was up from £1.92m. to £2.05m. In the first half turnover was £13.68m. (£13.27m.) and pre-tax profit £1.07m., against £1.06m.

Year-end earnings are shown to be up from 47.31p to 51.7p per £1 share and dividend total is raised from 15.26343p to a maximum permitted 16.53311p, with a final of 11.03311p.

The company is engaged in civil engineering and building.

	1975 £	1974 £
Turnover	28,811,003	25,406,220
Operating profit	2,627,226	2,189,591
Depreciation	872,438	828,436
Interest	30,161	37,707
Share associate	17,529	*10,413
Pre-tax profit	2,052,165	1,923,841
Tax	1,091,161	1,043,792
Extraordinary debit	21,331	19,690
Dividends	316,871	285,681
Retained	650,032	575,037

* Debit.

Mr. J. G. Beevor, chairman, will retire on May 26.

Mr. P. Edge-Partington, who joined the Board on September 22, 1975, has been nominated to succeed him.

ISSUE NEWS

I C Industries introduction

Arrangements have been completed by Kleinwort Benson for a London Stock Exchange quotation of the 13,215,877 shares of Common stock no par value in IC Industries. The shares are currently traded at about $18 in New York which gives the company a market capitalisation in excess of $237m.

IC Industries is a major international holding company with diversified interests in commercial products, consumer products, property, financial services and the original transport business, on which the group was founded.

The consolidated sales of IC Industries in 1975 were $1,505m. and pre-tax income was $58.4m. This represented earnings of $2.65 per common stock share and dividends amounted to $1.30.

The chairman, Mr. William Johnson, indicated in London yesterday that the group currently had two U.S. acquisitions in the pipeline, though there were no immediate plans for expansion outside the U.S. Prospects for 1976 were encouraging, particularly in consumer-orientated products, and the railroad reform legislation recently enacted should ensure a modern and more favourable relationship between the railroads and the Government.

Brokers to the listing are Fielding Newson-Smith.

See also Page 26

RIGHTS RESULTS

S. Hoffnung's rights issue to raise £1.86m. on the basis of one-for-four at 55p has been taken up as to 94.8 per cent. The balance has been sold at a premium and the net proceeds will be distributed pro rata among entitled shareholders.

J. Coral Holdings' rights to raise £2.7m. on a basis of on[e] £1 each has been take[n] 94.4 per cent. The ba[lance] sold at a premium of [...] Net proceeds will be [...] to entitled shareholder[s] no payments will be [...] amounts of less than

MIDLAND BA[NK] STATISTICS

Statistics compiled Midland Bank show amount of "new mon[ey]" in the U.K. by the issue [of market]able securities in M[arch] £230m. In the first th[ree months] of this year £333.5m. raised compared with the same period of 19[75]. Last month 25 ri[ghts issues] raised a total of £1[...] largest issue was for [the Greater] London Council wh[ich raised] £96.5m. by an issue of [...] In the first quarter of [...] issues accounted for al[...] cent. of total issues, [...] cent. of company issu[es].

KENNING MO[TOR]

Kenning Motor [an]nounced that 298,76[...] shares of 25p have [been issued] following the con[version of] £205,632 8 per cent. unsecured loan stock [...] 1994. The new share[s rank] pari passu with a[...] *Ordinary shares.*

WEYBURN RI[GHTS]

The prospectus is [published] to-day in connection [with a] rights issue by Weyb[urn Engin]eering to raise £675,[...] sional allotment lett[ers will be] posted on April 20, w[ith dealings] commencing the foll[owing day.] The offer will close or[...]

New Rothschild investment subsidiary

Merchant bankers N. M. Rothschild has created a new wholly-owned subsidiary, called N. M. Rothschild Asset Management, to give the investment department of the bank a separate identity. Chairman of the new company, which exists from to-day, is Lord Rothschild.

The present staff of the investment division, numbering approximately 150, will be part of the new *company. But there will be an* additional five executive directors to the present three, plus a further four directors. It is believed that following the moves the services of the investment division will be more vigorously promoted.

The world-wide Rothschild group has funds under management in the region of £1.25bn. of which the London investment department manages a significant proportion. The funds specifically in the hands of the London office are understood to have doubled in the past four years. The services have been exp[anded from] equities and fixed in[terest man]agement into currenc[ies] *and commodities.*

The official stateme[nt] yesterday stated tha[t the] company had been [formed to] formalise the segrega[tion of the] investment division [from] other divisions of the [bank in line] with City practice an[d to assist] *the expansion of the* division's business."

See Appointments

E. CHALMERS

Downiebrae Holdin[gs has ac]quired a further 414,0[...] *E. Chalmers Holding[s]* total holding to 59[...] (19.1 per cent.). This [has] been arranged by [...] bankers, McNeill Pe[arson, who] have also placed a fur[ther ...] shares (11 per cent.). [...] the decision of Ronde[...] dispose of its 737,190 [...] per cent.) in Chalmers.

Since McNeill Pear[son] holds 308,663 (9.9 per c[ent.]) on behalf of a discreti[onary client] the transaction was s[ubmitted to] the take-overs and me[rgers panel] for approval, which w[...]

Brent Chems. tops £1m.

PROFITS before tax of Brent Chemicals International rose sharply from £702,000 to £1.08m. in 1975 following the increase *from £310,000 to £530,000 in the* first six months.

And, as part of the plan to finance continued expansion, the directors are proposing a rights issue of 2m. Ordinary 10p shares on a one-for-two basis at 20p per share for holders registered April 1.

The new shares will rank in full for the net final dividend of 1.175p now recommended. The final makes a total of 1.925p and represents an increase of 26 per cent. over the 1.53p net paid in 1974 to which the Treasury has agreed in the context of the rights issue.

The directors also intend to pay a maximum permitted total of 2.11p net for this year on the enlarged capital.

Stated earnings per 10p share for 1975 are 12p (7.6p) before extra-ordinary items and 13.2p (7.1p) after such items.

Although there are some signs of improvement in the economy of several overseas markets where the group is established, the general outlook remains unsettled. Management accounts for the first two months of 1976 indicate *satisfactory* progress over last year, the directors report.

In 1975 the group maintained its consistent rapid expansion of sales and profits, the directors say. Heavy revenue investment was made in additional people employed in research and sales development, while several overseas operating units were relocated in larger and better facilities.

The full benefit of these developments will be realised in the future, whereas the costs are borne immediately, the directors add.

This arises from the policy of charging all development expenditure against current income, even though it represents an investment with future yields.

● comment

Brent Chemicals' £400,000 rights *issue (the* shares are being issued at an 82 per cent. discount) comes with a 48 per cent. sales rise and a 54 per cent. increase in pre-tax profits, incorporating a 41 per cent. jump in the second half. At 111p, the shares give an ex-rights yield of 3.65 per cent. *which is more in line with sector* averages against 2.7 per cent. cum rights, and cover on the fully enlarged capital would still be over 4 times. On historic earnings, the p/e ex-rights is 9.8; but the group plans to continue its already fast expansion rate at some 25 per cent. over *the next* five years reflecting its policy of building up new ventures overseas.

Allen Harvey & Ross

Mr. M. E. R. Allsopp, chairman of bill brokers and bankers, Allen Harvey and Ross tells members that the investment position being carried at the end of last financial year has now been considerably reduced and the directors will be looking more to the jobbing book to provide profits this year.

As known, profit for the year ended February 5, 1976, was £714,573 (£671,808), with a net *dividend of 25p per share (13½p).*

All sectors of the business had a profitable year. The differential between Treasury Bill, Bank Bill and Sterling CD rates has narrowed almost to vanishing point and at times the running profit had been equally threatened, the chairman says.

The demand for high quality short term paper, however, has created turnover profits. The private sector business has been maintained at maximum level and the group has played an increasing role in the expanding market *for Treasury Bills. The down*ward course of interest rates has produced capital profits to compensate for a lack of running profit.

"Next year presents us with the usual dangers and uncertainties but we are in a better position to meet them than we have been for the last two years," *says* Mr. Allsopp.

Meeting, 45, Cornhill, E.C., April 22 at 12.30 p.m.

هكذا اصل الأصل

Ash & Lacy shortfall is £106,000

AS FOREWARNED at midway pre-tax profits of metal stockholders and perforators, Ash and Lacy, for 1975 fell short of those for the previous year, finishing £106,000 behind at £1.1m. At halfway an advance from £353,000 to £568,000 was reported.

Yearly earnings per 25p share are shown to be down from 17.4p to 13.6p. The dividend total is raised from an adjusted 4.9464p to 5.4p with a final of 3p net.

After tax of £592,000 against £640,000 the net balance comes through virtually unchanged at £514,000 (£572,000).

	52 weeks 1975 £000	53 weeks 1974 £000
External sales	16,705	15,180
Trading profit	1,652	1,667
Depreciation	275	213
Interest payable	271	242
Profit before tax	1,106	1,212
Tax	592	640
Net profit	514	572
Extra-ord. credits	47	—
Interim dividend	96	54
Final dividend	122	105
Retained	343	413

● comment

Ash and Lacy's results must have disappointed some elements of the market, and the share price, having risen by a tenth in the past fortnight, dropped back by 7p to 108p last night. Pre-tax profits are, however, less than 10 per cent. lower, which is a resilient enough performance for the steel sector, thanks to increased profits in galvanising and hardware distribution. Trading margins have fallen by a fifth over the two halves, in reflection of the poor volume trends in stockholding and processing, but a 36 per cent. fall in interest charges (only partly to do with the £½m. rights issue in April) has held the pre-tax shortfall to 5 per cent. Next month's steel price rises will produce stock gains and the prospect is for increased profits this year, particularly if the investment in stockholders' Siddens, which has trebled capacity to 60,000 tons, has volume on its side. Borrowings, meanwhile, have fallen by 60 per cent. to about £1.1m. or 30 per cent of shareholders' funds, the lowest ratio for 10 years, which should allay any financing fears concerning the upturn in demand. The yield of 7.9 per cent. is covered 2½ times.

SENA SUGAR

The directors of Sena Sugar Estates say no arrears or dividend can be paid on Preference shares at this time.

Payment of the half-yearly Preference dividend was postponed last September, due mainly to the problem of remittances from Mocambique.

L. Gardner slips to £0.75m.

AFTER MUCH higher interest charges of £63,000, compared with £1,000, and including investment income down from £77,000 to £30,000, pre-tax profit of L. Gardner and Sons declined from £934,000 to £753,000 during 1975. In the first half profit was down from £333,000 to £234,000.

In real terms the directors say that sales and future orders in 1976 are ahead of those at this time last year and "the trend seems to be soundly based."

Earnings per 25p share are shown to be 9.13p at year-end against 10.28p. Dividends are kept at 5p net with a similar 3p final.

House of Fraser profit lifted to £20.8m.

INCREASED turnover of £396.66m. against £320.66m. before VAT is reported by department stores operators, House of Fraser for the 53 weeks ended January 31, 1976. Pre-tax profits were lifted from £19.59m. to £20.81m.

Stated earnings per 25p share are up from 7.46p to 8.36p and a net final dividend of 2.50494p makes a maximum permitted total of 3.57994p against 3.63575p previously.

For the first 26 weeks, pre-tax profits were ahead from £6.18m. to £6.35m.

The year's VAT charge amounted to £30.13m. (£24.86m.).

	53 weeks 1975-76 £	52 weeks 1974-75 £
Turnover	396,660,130	320,661,338
VAT	30,122,907	24,861,065
Trading profit	27,300,598	24,729,965
Depreciation	3,430,247	2,804,917
Interest paid, etc.	3,467,130	2,368,913
Operating profit	20,599,582	19,436,135
Associates' share	205,299	133,190
Profit before tax	20,805,170	19,589,324
Tax	10,610,734	10,497,355
Net profit	10,194,436	9,091,969
Extra-ord. debits	102,322	95,767
Minorities	250	—
Retained associates	92,475	105,845
Available	[illegible]	8,900,239
Dividends	4,749,347	4,449,395
Retained	5,252,654	4,448,784

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Aurora Holdings, Centrovincial Estates, H. P. Kent, Linread, Mitchell Cotts, Second Broadmount Trust, Startrite Engineering.

Finals:—Associated Book Publishers, A.P.V. Holdings, Appleyard Group, Bifurcated Engineering, Clifford's Dairies, Erith, Expanded Metal, Fothergill and Harvey, Ketkast, London Brick, Ruberoid, Scott's Restaurant, Warne Wright and Rowland.

FUTURE DATES

Interims:—

Kalamazoo	Apr. 14

Finals:—

Alva Investment Trust	Apr. 13
Bank of Scotland	Apr. 6
Boot (Henry)	Apr. 8
Embankment Trust	Apr. 22
Freemans (London SW9)	Apr. 5
Greenbell	Apr. 7
Guest Keen and Nettlefolds	Apr. 12
Kode International	Apr. 6
London Pavilion	Apr. 9
McBride (R.) (Middleton)	Apr. 8
Melville Dundas and Whitson	Apr. 14
Modern Engineers of Bristol	Apr. 8
Mono Containers	Apr. 8
Noble and Lund	Apr. 5
United Guarantee	Apr. 6

Sirdar tops £0.5m. midway

ANNOUNCING pre-tax profits up from £400,000 to a record £504,000 in the 28 weeks to January 9, 1976, the directors of Sirdar, the Yorkshire-based hand-knitting yarns group, say they expect the improved results to be maintained in the second half.

Sales volume is running at a higher level than last year, they add.

Net interim dividend is raised from 0.95p to 1.04p per 25p share. Last year's total was 2.28p, paid from profits of £812,123.

The directors report that a major part of Sirdar's plant will have been replaced before the end of 1976.

● comment

With the 26 per cent. pre-tax growth at mid-term under its belt, Sirdar looks set to top £1m. in the current year. The company has been buffered against the increase in wool prices, having stocks contracted for earlier at lower prices. So it has been able to keep selling prices competitive and yet see some improvement in margins on the back of higher sales volume. However, it recently adjusted prices upwards to take in part of the higher cost of wool and plans to use more synthetics next year as a defence against its spiralling price. Meanwhile, the enhanced cash flow has matched Sirdar's capital expenditure and this has kept borrowings at the previous year's level. At 44p, up 3p, the shares are on a prospective p/e of 7.1 and a yield of 9 per cent., already covered 1.3 times by interim earnings.

Statement Page 24

Artagen Props qualification

In their report, the auditors of the accounts of Artagen Properties say they do not concur in the company's practice of accounting for tax relief relating to capitalised holding costs of overseas properties in arriving at net revenue. They consider that the relief should be deducted from the cost of properties.

This relief amounted to £196,000 in 1975 but was relatively immaterial in 1974. The directors' report states that, as in earlier years, they see no justification for doing this.

The auditors also state that the company has not estimated the amount of tax on capital gains which would become payable in the event of future sales of properties at amounts at which they are stated in the accounts.

Burndene sees fall to £0.46m.

Manufacturers of caravans, property developers, etc., Burndene Investments, reports pre-tax profits down from £333,312 to £205,652 for the half year to November 30, 1975, and the directors expect about £460,000 for the year compared with £587,000 for 1974-75.

First half earnings are shown to be down from 1.9p to 1.1p per 5p share. The interim dividend is lifted from 0.325p to 0.455p net—last year's final was 0.5027p.

Profits were struck after depreciation of £90,846 (£86,533). Tax took £106,296 (£159,650) and £99,336 is retained (£22,139 after extraordinary items of £151,823).

Guardian Properties

There was still no certainty that any money would be available for unsecured creditors of Guardian Properties (Holdings) owed £13.7m., Official Receiver Mr. Norman Saddler told a creditors' meeting yesterday. The property group went into receivership in June 1974.

Total liabilities of the parent company had been put at more than £26m., said Mr. Saddler. Preferential creditors were owed £113,841 and two debenture holders over £8m.

Directors had put total assets at £18.3m. On this estimate there would be a surplus after payment of preferential creditors and debenture holders. But directors' opinion was that any surplus of assets for unsecured creditors would be absorbed.

Mr. Saddler said that realisation of the company's assets and of assets of subsidiaries was still going on. No resolution was passed by creditors, the matter being left with the Official Receiver as liquidator.

At least £0.6m. seen by WCB

SHAREHOLDERS IN White Child and Beney, the materials handling and plastics processing group, were told by chairman Mr. Richard Beney at the annual meeting that the annual profits of the group should be a minimum £600,000 for the year. This compares with £947,635 before tax in the 12 months to September 28, 1975.

Mr. Beney said the group was faced with a poor first half result because of the low level of the order book and that a pre-tax total of £200,000 "or slightly more" could be expected. The first six months of 1974-75 produced pre-tax profits of over £½m.

There has been a considerable improvement in demand during the second half, which should result in a profit of £400,000 before tax and after interest.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£23	£22½	Berry Pacific Fd. C$81	£23½	−½	40c	—	8.5	—
$12,330	F.P.	—	$13,300	$10,600	Braintree S.A.	[illegible]		—	—	—	—
87	F.P.	2/4	95	92	Electra Inv. Tst.	85	−½	b2.5	1.1	6.7	21.4
10	F.P.	30/7	205	152	LAS(UOP)'s Units Ln.	165	−3	—	—	—	—
10	F.P.	30/7	205	152	SCOT (UOP)'s Units Ln.	165	−3	—	—	—	—
—	F.P.	—	£22¾	£21⅞	Tenneco Inc. S.	£22	−¼	Q$1.76	—	4.0	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100¼	99½	Agricultural Mort. 10⅝% Bds. 1981	100	—
£100	F.P.	—	100	99½	Do. Do. 10⅜% Bonds 1981	99½	—
£100	F.P.	7/4	103	[illegible]	Armstrong Equip. 8% Conv. Uns. 1986	101	—
C$100	F.P.	—	100	100	Banque Canadienne Nat. 9⅞% Deb. 1982	C$100	—
£100	F.P.	26/3	101	99½	External Inv. Trust Convertible Ln. 1992-4	100	—
£96.5	£10	—	9¾	9¼	GLC 12½% 1982	9¾	−¼
[illegible]	Nil	9/4	8½	½	Greenall Whitley Conv. Pfd.	½pm	—
**£92½	£10	—	10½	10¼	Hartlepools Water 8½% Red. Pref. 1981	10½	—
£100	£50	30/7	42½	25	LASMO 14% Uns. Loan 81-88	27½	—
$100	F.P.	—	101	99½	Midland Bk. FloatCap. Notes 1985	$101	—
**£95	F.P.	16/3	100	99½	Mid-Surrey Water 8% Red. Pfd. 1981	99½	—
$100	F.P.	—	101½	99½	Norway 8⅝% Notes 1981	101½	—
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9½% Deb. 1981	$99½	—
£100	£50	30/7	42½	26	SCOT 14% Uns. Loan 81-88	27½	—
£100	£50	26/3	74	60	Scot. Met. 9% Conv. '94	67	−1
$100	F.P.	—	102½	99½	Seagram 9% Notes 1982	$102½	—
**£99	£10	14/5	10½	10¼	Sutton Dist. Wtr. 9% Pf. 1981	10½	—

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date 1	Latest Renunc. Date 2	1976 High	1976 Low	Stock	Closing Price p	+ or −
60	F.P.	12/3	15/4	79	71	Allen E. Balfour	77	—
54	F.P.	4/2	26/3	76	69	Armitage Shanks	72	—
120	F.P.	2/3	7/5	151	125½	Blackwood Hodge	144	—
28	F.P.	15/3	12/4	37	34	Braham Millar	36	—
75	F.P.	27/2	26/3	105	95	Carpet Intnl.	99	—
55	F.P.	31/3	30/4	66½	60½	Cement Roadstone	63½	−½
29	F.P.	18/3	15/4	35½	32½	Concentric	32½	—
15	F.P.	30/3	13/4	125½	115	Coral J.	118	−2
21	F.P.	26/3	9/4	28	24½	Crown House	25	—
190	Nil	9/4	21/5	43	34	De La Rue	43pm	+4
30	F.P.	26/3	30/4	42	35	Dennis J.H.	40	—
30	Nil	5/4	14/5	58	37	Dew (G.)	57pm	—
50	Nil	6/4	14/5	5	3	Diploma Invs.	5pm	—
325	Nil	2/4	7/5	30	18	Fisons	29pm	−1
115	Nil	9/4	7/5	35	25½	Gill & Duffus	27½pm	−1½
31	F.P.	18/3	9/4	44	35	H.A.T. Group	44	+2
55	F.P.	26/3	30/4	97	62	Hoffnung (S.)	96	−1
44	F.P.	26/3	30/4	59	53½	Imperial Metal Inds.	57½	−1
15	F.P.	4/3	9/4	22½	22	Jackson J. & H. B.	22½	—
35	Nil	14/4	12/5	7½	5	Jacobs	7½pm	—
57	F.P.	9/3	6/4	72	68	LCP Holdings	71	−1
56	Nil	9/4	7/5	16	3½	Leisure Intnl.	16pm	+½
57	F.P.	5/3	20/7	7½	64	Lloyd (F.H.)	66	—
210	F.P.	16/3	23/4	235	210	Lloyds Bank	220	−2
54	F.P.	12/3	2/4	78½	67½	Meyer (Mont. L.)	75	−1
19	F.P.	15/3	26/4	25½	21	Mitchell Somers	22½	−½
55	F.P.	2/4	12/5	69	66	Mixconcrete	66	—
70	Nil	—	—	23	19	Parker Timber	25pm	—
15	Nil	9/4	14/5	3½	2	Renold Engineering	2½pm	−½
38	Nil	15/4	28/5	15	10	Staflex Int.	12½pm	−1
355	F.P.	23/3	22/4	391	362	Standard Chartered	388	−2
64	F.P.	24/2	25/5	102	92½	Stenhouse Hldgs.	99	—
80	F.P.	31/3	30/4	95	93	Stevens Hotels	95	+2
42	F.P.	12/5	2/4	52	45½	Tecalemit	46	—
10	F.P.	6/2	2/4	14	11½	Tomkins (F.H.)	11½	—
42	F.P.	17/3	14/4	64	57	Triplex Foundries	60	−1
130	F.P.	15/3	11/6	157	160	Turner & Newall	154	−1
46	F.P.	18/3	12/5	52½	47	Ward (T. W.)	49½	−1
8	F.P.	19/3	20/4	16	12	Whessoe Watson	11	—
103	F.P.	27/2	9/4	153	125	Wolseley-Hughes	150	−2
73	Nil	—	—	45	25	Woodside-Burnish	25pm	−1
70	Nil	15/4	14/5	9½	6½	Youghal Carpets	9pm	−1½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. ‡‡ Figures based on prospectus or other official estimate for 1976. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. § Offered to holders of Ordinary shares as a "rights." ¶ 250 S.Afr. cents. § Rights by way of capitalisation. ** Tender allotment price. ♣ Reintroduced. †† Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♣ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

MINING NEWS

Utah gets coal go-ahead

BY KENNETH MARSTON, MINING EDITOR

THE Australian Government has decided to raise no objections about the local effects of the proposed takeover in the U.S. by General Electric of the U.S., Utah International. The highly-profitable Queensland coal-miner Utah Development Corporation is a subsidiary of Utah International and the change of ownership is governed by the Australian Foreign Takeovers Act.

However, in a joint statement to-day, the Minister for National Resources, Mr. Douglas Anthony, and the Treasurer, Mr. Phillip Lynch, said the Government had decided that the takeover would not be inconsistent with foreign investment policy.

The Government is expected to make its first detailed statement on foreign investment policy to-day. Its main concern with Utah Development, however, has been to raise the level of Australian Equity. Yesterday's statement appears to indicate that Utah's plans to do this are acceptable to General Electric.

The ministers also announced that the Government had approved Utah Developments $A225m. (£146m.) Norwich Park Coking Coal project in Queensland, subject to the introduction of a new Australian joint venturer to lift Australian equity to 55 per cent.

As an alternative proposition, they said, the new Australian participant could take up an interest in Utah's coal projects held through its interest in Central Queensland Coal Associates. This would raise Australian equity in CQCA to about 20 per cent. and provide the new participant with immediate access to cash flows from existing mining operations. Either course, said the ministers, "would provide Australian interests with a significant share in Utah's coal operations."

America's Utah International owns 89.2 per cent. of the Australian Utah Development Corporation. The remaining 10.8 per cent. of the latter is held by Utah Mining Australia which depends on its income from dividends paid by UDC and which would need to find about $A80m. for its contribution to the Norwich Park project.

ONSET OF TAX AT W. AREAS

Mr. P. A. von Wielligh, chairman of the South African gold-producing Western Areas, says in the annual report—published before the latest South African budget—that the onset in the second quarter of this year of tax and State's share of profits at the mine "will make considerable inroads into the available profits in 1976."

At the same time, capital spending will continue at a high level and there is no apparent slackening in the increase in working costs. So, he says, shareholders should not expect high dividends (32 cents of 31p last year) to be maintained in the face of a depressed gold price. But the expected increase in production should cushion a fall in profitability. The shares were 180p yesterday.

KERR ADDISON'S CHANGING FACE

The past year was one of change for Canada's Kerr Addison Mines. Three base metal prospects in Quebec which had contributed significantly to the company's earnings over the past few years were closed down. They were the Normetal, Joutel and Icon Sullivan mines.

On the more positive side, extensive work was carried out on the 60 per cent.-owned Grum lead, zinc, silver joint venture near Faro in the Yukon as well as the 82.5 per cent.-owned Agnew Lake uranium property west of Sudbury in Ontario.

It is considered that Agnew Lake could provide a solid earnings base for the company within three years. The capital cost of the venture is put at $35m. (£18.54m.) with an output on 1m. lbs annually of uranium oxide.

At the Grum joint venture, the company's share of exploration costs during the year was $3.1m. (£1.64m.). The ore grade so far encountered is described as "encouraging" but the mineralisation is thought to be structurally complex as a result of faulting and folding.

WANKIE PROFITS AGREEMENT

The Anglo American group's Wankie Colliery is to be allowed a 12½ per cent. return on its capital under a new 10-year agreement, effective from September 1, 1975, with the Rhodesian Government. For the current year to August 31, however, the coal and coke producer's pre-tax profit will be restricted to $Rh.2.5m. (£2.1m.).

Any excess will be set aside for the following year when the allowable return will rise to 10 per cent. Thereafter the full 12½ per cent. rate will apply. When Wankie has to pay tax on profits included in the definition of a fair return the latter will be increased by the amount of tax paid to a maximum of 15 per cent.

The company will keep all profits from exports until August 31, 1977. After this the maximum retention of export profits will be equal to 5 per cent. on capital employed. The arrangement does not affect investment income, all of which accrues to the company. During the past half-year Wankie's overall net profit amounts to $Rh.1.47m. (£1.2m.) compared with a loss of $Rh.107,000 a year ago.

Wankie is raising its interim to 2½ cents (2.1p) on the capital increased by the one-for-one scrip issue from the equivalent of 1¾ cents previously. The 1974-75 total was 6¼ cents. U.K. shareholders, of course, are still not allowed to receive dividends from this Rhodesian company. The shares were 28p yesterday.

ROUND-UP

Australia's Metals Exploration reports a net profit of $86,000 (£56,000) for the half-year to December 31. The Greenvale lateritic nickel project in Queensland is expected to continue to incur losses for the remainder of the current year.

* * *

The Anglo American group's Canadian Hudson Bay Mining says in its annual report that it is difficult to see a turnround before the end of the year in the supply-demand situation for copper and zinc.

* * *

Australia's North Kalgurli reports a net loss of $164,000 (£107,000) for the half-year ended December 31. During the period, 23,803 tonnes of stockpile ore was treated recovering 3,165 ounces of fine gold. No further ore remained in the stockpile.

* * *

The Australian registered Fijian gold producing Emperor Mines reports net profits of $270,000 (£176,000) for the half-year ended in December against $556,000 for the same period a year ago.

* * *

South African gold holdings rose by R0.2m. in the week ending March 26, indicating a retention of only some one-fifth of a tonne compared with three-quarters of a tonne in the previous week from a weekly output of around 14 tonnes.

James Warren deficit

AFTER DEDUCTING extraordinary items of £1.3m. (£5,000) James Warren and Co. incurred a net loss of £1.89m. for the year ended September 30, 1975, compared with a £107,000 profit previously.

No dividend is being paid—in 1973-74 the net total was 9.45p.

For the first half, net loss was £860,000 (£144,000 profit) after deducting extraordinary items of £271,000 (£30,000).

Net bank borrowings of the group at September 30, 1975 were £1.67m. compared with £2.57m. a year earlier—a reduction of £898,000—and the directors look forward to a continuation of this trend.

In making the provisions which are included in extraordinary items the directors have taken a prudent view on the current values of property and investments made in previous years. The loss of £145,000 arising on the disposal of the Kenyan subsidiary which was sold in January 1976 and realised some £215,000 has been fully provided.

	Year 1974-75 £000	Year 1973-74 £000
Turnover	11,184	5,978
Operating profit	274	267
Interest charges	474	272
Assoc. share	54	259
Subs losses*	274	—
Assoc. share†	339	—
Loss	81	‡294
Tax	304	182
Minorities	—	§10
Off goodwill	211	—
Loss sale invest.	259	—
Property, etc. loss	174	135
Property etc prov.	583	—
Kenyan sale loss	145	—
Other	119	‡139
Net loss	1,886	‡107

* No longer trading. † Sold during year. ‡ Profit. § Credit.

Unit Trust Year Book

The 1976 edition of the annual Unit Trust Year Book is now on sale giving details of nearly 400 unit trusts and 94 management companies. This year the book is in larger format and contains sections on the way a unit trust works, schemes linked to the trusts and trusts which have changed their names during the year.

The normal price per copy is £3.85, but there is a discount offer at £3.10 until April 9. The address to write to, Fundex Ltd., Freepost, London EC2B 2XY—no stamp required.

Malayalam dividend

The directors of Malayalam Plantations say a remittance has now been received from India in respect of a substantial proportion of profits earned during the year ended March 31, 1975.

Subject to U.K. Treasury consent a second interim dividend is declared in respect of the year to March 31, 1976 of 0.35 pence, making a total to date of 0.70p for the year.

Pre-tax profits in India for 1975-1976 are running well below last year's level as a result of a larger increase in the cost of production. The Board expects, subject to U.K. Treasury consent, to declare a final dividend.

In 1974-75, a single 0.35p interim was paid.

PAULS & WHITES

Pauls and Whites has sold its animal feed and grocery businesses and assets in Northern Ireland to E. T. Green (a subsidiary of Rank Hovis McDougall) for some £1½m. cash.

It is believed that these arrangements will enable the standard of service to customers in Northern Ireland to be maintained and strengthened under the present difficult trading conditions there, and will afford the best means of safeguarding the interests of those in the Province who work for both companies.

TILLEY LAMP

The offer by Hersov International BV to acquire Tilley Lamp Company has become unconditional. It remains open.

Hersov has received 117 acceptances in respect of 443,206 Ordinary shares, amounting to 92.33 per cent. of the Ordinary capital.

BIDS AND DEALS

Ruling shortly on London Tin

BY MARGARET REID

VITAL NEW ruling is expected shortly from the Take-over Panel on the issue—first raised by last year's abortive projected merger of Haw Par Brothers of Singapore with Pernas Securities of Malaysia—of a possible bid for London Tin Corporation.

The Panel has for months been considering the complex question, which has some far-reaching implications, of the form in which it should look for action to fulfil its earlier requirement of a general offer for London Tin from the State-controlled Pernas, which holds some 20 per cent. of London Tin's shares.

The Panel's decisions could have a significant influence on the future of the 30 per cent. stake in London Tin, the world's largest tin company, held by Haw Par, which is known to be a seller, on acceptable terms, of its holding worth some £10m.

Developments over the Haw Par stake in London Tin could also open the way for possible moves over the disputed $29m. (£15.2m.) loan outstanding to Haw Par from Slater Walker Securities, which has a charge on some of Haw Par's London Tin shares.

The $29m. loan is one of the largest items in the loan portfolio of SWS, whose Board, under Mr. Jimmy Goldsmith, is now examining results of an accountants' review of the company's affairs commissioned last October.

Observers in the City feel that if a general bid for London Tin prepared the way for disposal of Haw Par's London Tin shares, progress might be made with a complex of the related questions.

The background to the matter is that when Pernas last May planned its abortive link-up with Haw Par, the Panel looked for a full bid for London Tin, jointly or severally, from the two prospective merger partners, which between them held some 50 per cent. of London Tin. The subsequent collapse of the projected Pernas-Haw Par tie-up did not remove the requirement for a bid, but it created great difficulties of implementation.

More recently, a full-scale bid for London Tin from Pernas in association with the mining group Charter Consolidated has been intensively considered, through a move which would give London Tin holders a new overseas security, attracting the investment premium. Problems of the valuation of the London Tin shares held by Haw Par have, however, proved a considerable complication, in view of the overseas residence of Haw Par.

GARNAR SCOTBLAIR

Garnar Scotblair, tanners and leather manufacturers, has paid £160,000 in cash to Smithfield and Zwanenberg (part of the S. and W. Berisford Group) for the capital of Fletcher and ... mongers and picklers ... skins.

At March 1, 1976, th... purchase, the net ... Fletcher and Webb w... at £189,000. The group ... tax profits of £32,000 ... in the year ended Sep... 1975.

EAST SUSSEX POSITION

The offer by Auror... for East Sussex E... which was declared un... on Tuesday after A... received acceptances ... 50.5 per cent. of the ... still being considered ... Sussex Board along wi... advisers S. G. Warbu...

East Sussex managi... Mr. G. J. Suckling, h... been acquiring East Su... in an attempt to p... Aurora bid going thro... that the Board has c... failing to recognise the... true worth. Mr. Suc... purchase amounted ... shares at 30½p each wh... his personal holdin... between 14-15 per ce... capital. The remain... Board are believed to ... 4 per cent., so that ... they can command ... approaching 20 per ce...

It is likely that W... be attempting to ga... favourable price—th... offer price is 30.03125... share—in return for ... of the Board.

DOWDING

Dowding and Mills, th... and mechanical repair... has acquired for £4... private companies eng... same business. The c... Falkirk Electrical Wi... Contractors and Willi... ings—employ approx... people and earn combi... profits of over £70,0... tangible assets of £17...

The two companies w... to operate under their ... and will be controlled ... to-day basis by their ... managements.

The purchase consi... to be satisfied by th... 2,832,836 Dowding and ...

FROST & REE...

The offer by HTV f... standing capital of Fro... (Holdings) has been d... conditional. It remai...

Acceptances in resp... offer have been r... respect of 783,911 sh... ing the total numbe... HTV to 90.15 per cent.

Elections for the ... native were received i... 27,737 shares.

INSURANCE RESULTS & BONUSES

Higher underwriting losses at L. & G.

GH investment income and General Assurance nproved £2.2m. to £9.6m. doubled underwriting £4.6m. resulted in net rowing only a marginal from £9.4m. to £9.7m. al dividend, payable on ncreased by a one-for-s issue in July, is 2.954p g the total from 4.361p ip, absorbing £4.3m.

	1975 £m.	1974 £m.
fe and annuity	6.6	6.1
	9.6	7.4
loss	4.6	2.3
	0.1	0.1
sions	1.8	1.8
	9.7	9.4
	4.1	3.3

nderwriting loss is after r of £1m. from claims ion reserve, compared imilar transfer of £0.9m. lease of £1.6m. from unremiums provision in the year.

improvement in asset n 1975 resulted in an of £4.3m. in the holders' -term funds investment compared with a decrease in 1974.

ntribution to the profit sions and life business om a valuation surplus ociety's long-term funds m (£44.3m.) of which (£34.3m.) has been allo- policyholders' bonuses 9m. (same) has been orward in the account.

underwriting deficit on insurance business was lue to adverse experience especially in Australia. t has been necessary to large reserves to meet compensation claims. South Africa, where there exceptional loss of £1.3m. executive Mr. R. Peet says ile the general insurance of 1975, particularly from mpany's main overseas s, continue to be unsatis- it is beginning to see alistic premium levels and hem should come an ment in underwriting

wide premium income eached record levels in remiums from pensions business topped £300m. first time representing an of over 30 per cent. neral insurance premiums 27 per cent. to £84m. yearly premium income e U.K. company pensions un life business was £36m., an increase of 61 per cent. on the previous year's record. This figure cannot be expected to be matched in 1976 as it includes one exceptionally large new contract.

Statement Page 22
See Lex

Gresham records

Gresham Life Assurance Society has declared record levels of reversionary bonus for 1975. On its new series the rate is lifted to £8.25 per cent. compound, for both assurances and annuities, from £3.15 per cent. in 1974. The old series rates now range from £2.85 per cent. simple rising to £6.75 per cent. for the older policies, compared with £2.80 per cent. rising to £6.75 per cent. previously.

Terminal bonus rates remain unchanged at 20 per cent. of attaching bonuses for the new series and 0.80 per cent. of the sum assured for each policy year up to a maximum of 23 years on the old series.

On pension schemes, the further interest to be credited in 1976 to Deposit Funding and Individual Funding Pension schemes is unchanged at 5½ per cent. and 4½ per cent. respectively.

Equity & Law pays 5.44p

From available profits for 1975 of £1.34m. compared with £0.71m. Equity and Law Life Assurance Society is raising its dividend from 5.1p to 5.4425p net at a cost of £1.09m. against £1.02m.

Shareholders' share of distributable surplus for the year was £960,000 (£810,000), gross investment income, less management expenses and tax totalled £135,000 (£174,000) and there was a £227,000 increase (£278,000 decrease) in the market value of assets. The balance brought forward was £699,000 (£1,013,000).

As a consequence of a change in the treatment of investment income some of the 1974 figures have been adjusted.

£0.96m. expansion in net profits at Pearl

AN INCREASE in net profit of £0.96m. to £3.9m. is reported by Pearl Assurance Company for 1975 and the dividend total is lifted from 9.59869p to 10.24337p net—final 6.74337p.

Total dividend cost is £3.7m. (£3.5m.).

On underwriting losses of £2.95m. (£3.5m.) the directors explain that claims and expenses on the group's U.K. domestic and other non-industrial business (which forms the major part of the general branch account) have been adversely affected by inflation and as a result the "substantial" underwriting losses have been suffered.

Overseas business contributed to the general branch underwriting loss but the major part of the overseas losses arose from areas where action has already been taken to cease involvement (Australia, Canada and New Zealand) and the benefit should be seen in future trading results, they add.

	1975 £m.	1974 £m.
Life branch surplus*	77.83	33.62
Policyholders' bonuses	35.96	30.05
To profit and loss account	3.36	3.27
Gen. branch u'writing loss	2.95	3.30
Investment income	3.74	3.34
Other inc. less expenses	.63	.17
Tax	.34	.29
Net profit	3.92	2.96
Dividends	3.70	3.47

* Including credit for £[illegible]m. net of tax (£5.78m.), part of the amount by which the market value of Stock Exchange and property investments (after property investments only) exceeds book value.

Pearl has increased its reversionary bonus rates for 1975 on its ordinary branch with-profit policies. Rates for all contracts, except those in the pension business fund, are now £3.70 per cent. of the sum assured for policies effected within five years (1975 to 1971 inclusive) and £4.15 per cent. for contracts issued in 1970 or earlier, compared with the 1974 rates of £3.60 per cent. and £4.00 per cent. respectively. For pension business fund the rates are £4.30 per cent. of the basic pension for policies issued within five years and £5.90 per cent. (£4.90 normal plus £1 special) otherwise.

The company has kept the rates of terminal bonus for ordinary branch business unchanged at 1.00 per cent. of the sum assured and attaching bonuses for each bonus year prior to 1973 up to a maximum of 20 per cent. Rate for pension business is also held at 1.30 per cent. but the maximum is lifted from 20.80 per cent. to 22.10 per cent.

Bonus rates, both reversionary and terminal, are kept at the same level for industrial branch business, the rates depending on the year of issue of the policy.

See Lex

London Life increase

The London Life Association is lifting its reversionary bonus rate in respect of individual with profit contracts for 1975 to £4.60 per cent. of the sum assured and attaching bonuses, from £4.40 per cent. for 1974.

The company does not at present declare terminal bonuses on death claims or maturing policies. This bonus rate will also apply to most group pension business. Self-employed pension contracts and other pensions business written on a similar basis will have a bonus rate for 1975 of £7.30 per cent. of the basic pension, compared with £7.00 per cent. previously.

London Life has also increased the rates of reduction or percentage allocation under its reduction of premium system.

British Anzani deficit

PROPERTY developers and investors, civil engineers, etc., British Anzani, reports a reduced loss of £376,000 for the six months to September 30, 1975, compared with £676,000 last time. Turnover expanded from £2.80m. to £3.84m.

The loss per 5p share is shown at 2.203p against 2.394p and again there is no interim dividend. The last payment was an interim of 0.1458p net for 1973-74, which was followed by a one-for-five scrip issue.

The first-half loss was struck after interest of £1.22m. (same). Last year there were exceptional debits of £63,000. The loss for the full year to March, 1975, was £1.65m. before tax.

The directors say that interest rates have fallen, the economy is beginning to improve, and the group is well placed to take advantage of an upturn in demand for industrial and office accommodation.

They are optimistic for the short term, particularly in view of the strong asset position, the increased demand for property, and the increase in value now taking place.

Major developments were carried out in the early 1970s, when costs were substantially lower than those prevailing to-day, members are told. The long-term advantages of this have yet to be seen, but the directors expect "to reap the massive benefits during the second half of the 1970s."

I. & J. Hyman dividends

Higher sales and profits and a return to dividends are announced by I. and J. Hyman for 1975.

Turnover rose from £2.72m. to £3.18m. and pre-tax profits were £339,319 against £259,655. Stated earnings per 5p share were up from 1.26p to 2.26p.

The dividend is 0.8125p per share—the last payment was 0.75p gross in 1968.

The first half profits had shown an upsurge from £2,365 to £95,532 and the directors said that although the rate of profit was unlikely to be maintained in the second six months, they were confident that the full year result would show a substantial improvement on 1974.

	Year 1975 £	1974 £
Turnover	3,182,143	2,717,052
Depreciation	36,524	32,635
Interest	25,636	25,965
Assoc. profits	212,651	210,739
Profit before tax	339,319	259,655
Tax	165,049	162,034
Minorities	2,279	1,785
Retained	161,215	85,536

Principal activities of the group are conversion of plastic foam and manufacture of industrial cleaning cloths.

Thurgar Bardex

After dropping from £93,160 to £835 in the first 24 weeks, pre-tax profits of plastic product manufacturers Thurgar Bardex finished the year to December 27, 1975, down from £217,449 to £76,728. Turnover rose from £2.15m. to £2.25m.

Tax for the year takes £23,309 against £117,000 leaving £53,419 compared with £100,449.

After the omission of an interim payment the final dividend is 0.5385p net per 10p share costing £42,850. This represents the maximum permitted, compared with last year's 0.5215p total.

AVELING-BARFORD

Makers of road making, builders' and contractors' equipment, Aveling-Barford has purchased a further £60,000 of its 7½ per cent. debenture stock 1986-91, bringing the total amount of this stock still outstanding to £701,923.

Slow start for AMC but optimistic

THE CURRENT year has started slowly for Amalgamated Metal Corporation, but the directors believe that the indications of recovery already apparent in some world areas will spread to produce an improving industrial and trading climate.

"We expect this to be reflected in our results during the latter part of the year," they say.

As reported on March 12, pre-tax profits for 1975 contracted *sharply from a re-stated £12.09m.* to £5.7m. The net dividend is a maximum permitted 12.87p against 12.06p.

The depressed level of industrial activity throughout the world in 1975 had its inevitable effect on metal markets and on the group's trading activities. Prices of major metals at the beginning of the year were well down from the peaks reached during 1974 and, with the exception of the U.S., little recovery has yet been seen.

Inflationary pressures have continued to erode the margins of producers and consumers alike, while the climate for investment has been such that there was little incentive for industry to expand operations anywhere.

The wholly-owned *subsidiary*, Amalgamated Metal Trading, which took over the group's London Metal Exchange activities in March 1975, operated successfully.

Of the tin smelting interests introduced into the AMC group by the merger with Consolidated Tin Smelters, both Datuk Keramat group in Malaysia and Makeri Smelting Company in Nigeria operated efficiently and made valuable contributions to the group's results.

Associated Tin Smelters in Australia, continues to operate efficiently and produced a useful profit contribution.

The smelter at Kirkby, near Liverpool, operated by Williams Harvey and Co. (in liquidation) completed the conversion of its remaining stocks of intermediates to tin metal and has continued the treatment of its stocks of tin bearing slags available on the works site.

The steel service centres—Gardner Steel in the U.K. and Debro Industries in Canada reported sharply lower earnings.

The group's major investment remains the 20 per cent. interest in Norddeutsche Affinerie in Hamburg and higher dividend income was received from this source last year.

Statement Page 27

A-CONTINENTAL INVESTMENT

Anglo-Continental Investment and Finance announces that, in accordance with the Trust Deed constituting the six-month rate Unsecured Loan stock 1974-83, the interest for the period April 1, 1976, to September 30, 1976, will be 10¾ per cent.

Further, at the request of its parent company, Générale Occidentale S.A., it has been agreed to bring the company's year-end into line with that of Générale Occidentale S.A. and accordingly, the company will extend the current period from March 31, 1976, to a 15-month period ending June 30, 1976.

Progress at Victor Products

From turnover for the six months to October 31, 1975 of £2.16m. against £1.7m., pre-tax profit of manufacturing of mining and lighting equipment, Victor Products (Wallsend) advanced £80,409 to £339,449.

Earnings per 25p share are shown to have risen from 3.25p to 4.26p and the interim dividend is increased from 0.985p to 1.083p net. Last year from record profits of £531,333 a total payment of 2.464p was made.

After tax for the half-year of £176,513 (£134,700) the net profit comes through at £162,086 (£124,340).

Granada 20% improvement

Lord Bernstein, chairman of Granada Group, has told shareholders that first half profits of the group are a fifth higher than in the corresponding period last year and that "there is no ground for thinking that this trend will not continue for the remainder of the year."

In an optimistic statement, he told the meeting that Granada "is not as beset by fears as some companies appear to be. We are in the mood for development and have the cash resources available," he said.

The group is well placed for the future and the chairman put this down to the Board's strategy to invest in he future: the group invested £20m. in this country alone in the pprevious financial year.

Lowndes new Lloyd's broker

Lowndes Lambert Group, the name under which all Hill Samuel's international insurance broking activities have been co-ordinated, has registered as a Lloyd's broker.

All business will now be transacted at Lloyd's and in other insurance markets previously handled by Lambert Brothers Insurance, Lowndes Lambert, and Lambert Hammond.

Lowndes Lambert Group also takes in Noble Lowndes and its associates in the field of employee benefits, consultancy and personal financial services. Its chairman and chief executive is Mr. Victor Wood. Deputy Chairmen are Mr. A. E. Foucar, Mr. J. B. Hughes and Mr. P. S. Lambert.

SAI £4½m. project

Speaking at the annual meeting, the chairman of Scottish Agricultural Industries (a subsidiary of Imperial Chemical Industries), Mr. G. S. Roberts revealed that the Board had recently decided to make a substantial investment in a new straight nitrogen fertiliser plant at Leith, in Scotland, at a cost of some £4½m. It was expected to come on stream by mid-1978.

However, the chairman told shareholders that "these investments on which we are embarking will take some time to show returns and cannot be expected to have much influence on the fortunes of the company for the next two or three years."

Mr. Roberts stressed that "our future depends not only on our own efforts but on the environment in which we work."

INTERNATIONAL COMPANY NEWS + EURO MARKETS

First ever loss for PUK group

By Rupert Cornwell

PARIS, March 31.

Following confirmation of a substantial net operating loss for 1975, the French metals and chemicals group Pechiney-Ugine-Kuhlmann plans to cut its total dividend for 1976 to Frs.7.50 per share from the previous year's Frs.9.00.

The company explained to-day that the reduction was the direct and inevitable consequence of the "exceptionally serious" crisis which afflicted the group in 1975—already reflected in a drop in turnover by some 16 per cent. to Frs.18.7bn. from Frs.22.2bn.

At parent company level, the flow of dividends from subsidiaries covering the prosperous period of 1974 meant that the damage was limited to a steep fall in profits to Frs.197m. (£22m.) from Frs.318m. (£34m.). for the group, however, 1975 will produce the first ever consolidated loss.

The operating deficit will come out at around Frs.600m. (£66m.) after depreciation and other charges. However, accounting procedures—of the kind already used to take the sting out of the huge 1975 losses of the troubled chemicals group Rhone-Poulenc —will put a slightly more respectable gloss on Pechiney's figures.

The group said the net declared loss would be only of the order of Frs.200m. (£22m.). The remaining Frs.400m. would be covered by rules which allow a company to credit its accounts in a bad year with the total tax concessions arising from that loss over future years.

Standa head charged

The president of Standa, Italy's largest retail chain, resigned on Tuesday in the wake of corruption charges filed against him by a magistrate. Meanwhile, local administrators of the Christian Democrats and of the Communist Party admitted having received money from the company.

Gino Sferza has been charged with making pay-offs to political parties and local administrators to open Standa department stores in various cities. He has told the magistrate the pay-offs were a "way of living" in Italy.

Sferza's resignation was announced at a meeting of the company's board of directors. It released Standa's figures for 1975, during which the company suffered a deficit of L42.5bn. (£30.4m.) against a profit of L8.1bn. in 1974. Sales were L526bn., as the year before, and the company will cover the deficit through its reserves.

AP-DJ

Profits fall, but dividend held at Swedish Match

BY WILLIAM DULLFORCE

STOCKHOLM, March 31.

PRE-TAX earnings for the Swedish Match group in 1975 plunged to Kr.71.4m. (£8.4m.) from Kr.270m. in the previous year, according to the preliminary results issued to-day. Earnings per share were down from Kr.15 to Kr.4.40, but the Board proposes to pay an unchanged dividend of Kr.5 a share.

The Board's communique contains no comment on the profit setback, which had largely been anticipated by the Stockholm stock exchange, but notes that market conditions have already improved for some important products and that "some improvement" can be expected in 1976, provided general economic conditions continue to turn upwards.

Group sales increased by only 2 per cent. to Kr.4.36bn. (£513m.) of which Kr.88m. was attributable to companies acquired during the year. Of the turnover Kr.2.7bn. came from group subsidiaries outside Sweden while group exports from Sweden increased by 3 per cent. to Kr.608m.

All divisions in the group experienced a fall in operating profits over 1974. Only the original Match division with an operating profit of Kr.81.5m. on sales of Kr.875m. was close to last year's level. The fundamental weakness lies in the four building materials divisions, the area into which Swedish Match has been diversifying over the past few years.

The fall was aggravated by a slump in the packaging division where a Kr.56.8m. operating profit in 1974 became Kr.11.9m. last year, and then by a Kr.25.7m. fall in earnings in the paper division.

The building materials group made an operating profit of only Kr.1.1m. compared with Kr.104.6m. in the previous year on a combined turnover of Kr.1.95bn. In the board division alone a Kr.68.5m. decline in earnings resulted in an operating loss of Kr.48m. The failure of the West German building industry to show any recovery last year was a major factor in Swedish Match's earnings decline.

The building materials section has also contributed to the poor profits performance through the steady increase in interest charges on the borrowing undertaken to finance the expansion. Net interest charges have risen from Kr.13m. in 1972 to Kr.63.6m. in 1974 and Kr.80.2m. last year.

The Kr.71.4m. pre-tax profit includes inflation gains on stocks of about Kr.27m. After a net extra-ordinary credit of Kr.40.3m., boosted by property sales in Sweden and the sale of a Finnish subsidiary and a packaging plant in Italy, and after lower transfers to reserves, the reported net income comes out at Kr.48m., against Kr.53.7m.

Slow start for Commerzbank

BY GUY HAWTIN

FRANKFURT, March 31.

THINGS have got off to a comparatively slow start this year at Commerzbank, West Germany's third largest commercial bank. It is still early days, however, to make predictions and, for the time being at least, the bank can take comfort in last year's "roundly satisfying" performance.

Herr Paul Lichtenberg, the executive Board spokesman, pointed out that the opening two months of 1976 were "not unhealthy." But operational flexibility had been necessary, he said, particularly since expectations of a further decline in interest rates had led to a reduction in time deposits.

The overall drop in time deposits resulted in a DM900m. (£180m.) decline in the balance sheet total, bringing it to DM37.7bn. (£7.75bn.) by the end of February. This compares with 1975's 22.6 per cent. increase which raised the balance sheet total from DM31.44bn. at the end of 1974 to DM38.54bn.

Against this, a friendly climate on the stock exchange had prompted a marked increase in interest by private customers. Strong points have been bond-based investment funds and Government bonds.

Loan demand from trade and industry is still disappointing despite the slow recovery of the economy. Short- and medium-term advances stand at around DM8.5bn.—slightly under the 1975 year-end level of DM8.85bn. At the same time savings deposits continue to grow, albeit at a sharply reduced rate.

There is still no real indication about whether the bank intends to increase further its nominal capital this year. The already approved DM150m. increase in the bank's authorised capital was an expression of optimism for the future, said Herr Lichtenberg.

It is still possible that the bank will make a rights issue in the summer or autumn of this year, but much depends upon the stock exchange climate. In any event, the bank policy appears to be to take its capital increases in small stages. So, therefore, any capital increase will be well under the DM150m. level.

Herr Lichtenberg also gave fuller details of last year's performance which resulted in a hefty DM35.9m. increase in net profits, taking them from DM109.6m. to DM145.5m. Earnings per DM50 nominal share rose for the bank itself by 21.8 per cent. to DM16.50 and for the group, as a whole, by 30 per cent. to DM22.

High hopes at Hochtief

BY ADRIAN DICKS

BONN, March 31.

HOCHTIEF, the leading West German building and contracting group, has confirmed to shareholders that it expects reduced profits on its 1975 operations. But the Hochtief also made it clear that it has high hopes for the future from its rapidly expanding overseas activities.

The company offered no profit figures or dividend forecast for last year. But its reported decline of 9.5 per cent. in domestic building completions underscored the recession that the entire German construction industry has been suffering.

New orders for domestic work rose 12.4 per cent. in 1975, to DM1.6bn. (£331m.), from a very low base at the end of the previous year, when they had tumbled 25 per cent.

By contrast, Hochtief's foreign orders increased by almost 70 per cent.

CONRAIL

U.S. gamble on the track

BY GUY DE JONQUIERES, NEW YORK CORRESPONDENT

AT EXACTLY one minute after midnight on Tuesday the dilapidated and financially troubled railway system serving the north eastern United States entered what its managers hope will be a new era. Henceforth, freight services on the system's 25,000 miles of track, stretching across 17 States from St. Louis in the west to Boston in the north and Washington DC in the south, will be operated by a quasi-public organisation known as The Consolidated Rail Corporation, or Conrail for short.

The system lumps together sections of seven bankrupt railway companies of which by far the biggest is the Penn Central, which collapsed in June 1970. The legislation establishing Conrail also provides more than $2bn. for expenditures on track and rolling stock. Conrail's managers predict that this money, together with far-reaching reorganisation, will help turn the seven companies' aggregate loss of $1m. a day into an operating profit before the end of the decade.

The unenviable task of getting Conrail rolling has fallen to two men: the Corporation's chairman, Mr. Edward Jordan, a 46-year old former insurance executive who previously served as head of the U.S. Railway Association (USRA), the Federally-sponsored body which drafted the blueprint for Conrail—and Mr. Richard Spence, President, a 51-year old former vice-president of operations with Southern Pacific.

Both men exude confidence in their ability to meet the challenge they claim that they can meet USRA's target of a $151m. operating profit for Conrail by 1979 by pruning marginal operations, negotiating more efficient manning arrangements with the unions. Conrail will be free of money-losing passenger services, which have been assumed by Amtrak, a basically similar body set up five years ago.

Conrail aims to win Federal subsidies for, or abandon altogether, about a quarter of the system's track, while preserving 90 per cent. of current freight services. It must negotiate new contracts with its employees over the next three months and its executives claim that they have been promised exensive co-operation by labour leaders.

It is hard, however, to find anyone outside Conrail who shares the optimism of its senior officials. Top executives at the United States' 67 "class one" railway companies (those with turnover exceeding $10m. a year) are almost universally sceptical about prospects for transforming the tottering system into an efficient and profitable enterprise. Many believe that the road ahead will be paved with a series of mounting Federal subsidies to cover operating losses.

In the view of many experienced railwaymen, Conrail will be hard put to achieve more than a third of the $650m. in annual cost reductions which it projects by 1985. In the past, few railway mergers have brought about the hoped-for economies of scale and some have been outright disasters. A case in point is the Penn Central, the product of the merger of the Pennsylvania Railroad with the New York Central in 1968.

Effective trimming of rail service is deceptively difficult because, by a curious twist of logic, branch lines with the least traffic are rarely the most unprofitable. Of the $20m. lost by Penn Central on its 5,000 miles of unprofitable branch lines, only $2m. was accounted for by the 3,000 miles of most lightly travelled track. Moreover, choosing where the cuts should be made is likely to be complicated by political pressures exerted by the numerous state and local representatives on USRA's Board.

Co-operation by organised labour will have to be extraordinarily far-reaching if overmanning problems are to be solved. On the Penn Central, whose operations will comprise about four-fifths of the streamlined Conrail system, labour costs account for almost half of total operating revenues. Because of this, and high fuel costs, Penn Central's charge for a typical freight journey is almost twice that of Norfolk and Western, one of the few really profitable American railways and the biggest dollar earner.

Uncertainty also clouds Conrail's prospects for increasing its revenues substantially in the years ahead. Because two solvent railways, Chessie and Southern, cancelled plans to acquire 3,000 miles of track in New York and Pennsylvania at the last minute, Conrail has obtained a virtual monopoly in several important regions. But it is pinning its hopes for drumming up new traffic heavily on expanded coal haulage, and this market could be seriously diminished if east coast utilities slow conversion of their generating facilities to coal.

Conrail officials have indicated their intention to seek higher freight rates and believe that they stand a better chance of winning approval from regulatory authorities than the seven defunct companies enjoyed in the past. But any sizeable increase in freight rates could precipitate a further loss of business to road haulage operators.

Railways account to-day for less than 40 per cent. of all freight traffic in the U.S., down from 66 per cent. in 1946, and most of their custom is made up of bulk materials with a low per-ton value.

New investment in the Conrail system has been at a virtual standstill since 1970 and routine maintenance has been so badly neglected that in some places track condition limits top speeds to only 10 miles per hour. With the aid of funds voted by Congress last summer, some improvements have already been made. Reconditioned track has cut the journey time on the 500-mile round trip between St. Louis and Indianapolis to two days from five, which included overnight stopovers at motels along the route by the engine crew.

Nonetheless Conrail's area of operation will continue to suffer an endemic structural problem. This is that many of the most heavily travelled routes are over comparatively shor[t] and even substantia[l] in journey time wi[ll] up for time lost [..] and at terminals, triple the delivery by a truck on a sh[ort]

So far, Conrail's appear to have no a[nswer] problem. Indeed, critics fault them sketchy an appra[isal] detailed implement[ation] reorganisation plans ing to take a imaginative view o[f] problem. In a stu[dy] last summer by G[...] Professor of Econ[omics] University of Califo[rnia] that Conrail's plan[s] far too much on railway technology labour. Instead, he system should seek overhead reduction[s] ing new cap[...] methods.

The Conrail plan proposals advanced Administration, des[...] serve a semblance enterprise (Conrail to issue equity and But the many pessi[mists] that it will fall stools, and the nationalisation is in alternative prefer[red] especially by acad[emics] be to carve up the s[...] solvent rail concern[s]

The economics of venture permit a ve[ry] gin or error. An analysis of the firs[t] concluded that if revenue assumptio[ns] optimistic by less cent., the anticipate[d] income over the ne[xt] could become a deficit.

So far, the optim[ism of Con]rail officials has not ably dimmed by st[...] ations or by the encircles them. Bu[t] to solve the ma[ny] besetting the system the long-term secul[ar] the north eastern r[ailways] they will need mor[e] words and unbridle[d] for their task.

IC Ind. tracks back again

By Terry Garrett

It is fitting that IC Industries should come to London for its first stock exchange quotation outside America. Fitting, in that it was English money, via the Benson family of London bankers Kleinwort Benson, which financed the development of the Illinois Central Railroad in the mid-eighteen hundreds. From this beginning the IC Industries conglomerate, comprising over thirty companies, has developed with annual sales of $1.5bn.

The first, and to date most successful, major diversification came in late 1969 with the acquisition of Abex Corporation, formerly American Brakeshoe. This was followed by a series of purchases and mergers, with so far only one casualty. That was Perfect Plus Hosiery. Acquired in 1970 and earning $6m. a year, the company was less successful than its name implied, and a swing in trading fortunes saw it liquidated in 1973.

This has not been the only setback. None of the five sectors has shown consistent profits growth. But if the concept of a conglomerate is that a division experiencing a cyclical downturn should be supported by other more buoyant operations for an overall profits advance, the strategy seems to have been working—at least until 1975. Then despite improvements from commercial and consumer products and from financial services, a downswing at the property division combined with a $20m. loss from the railroad dropped total pre-tax income by $30m. to $58m.

This year the IC directors are talking in optimistic terms. The U.S. economy is turning up and this is particularly noticeable in sales of consumer products. But paradoxically it is the railroad from which the group has been so eager to diversify that is generating the most enthusiasm: basically because of a change in Government attitude

Giessen cuts its 1975 divide[nd]

BY MICHAEL VAN OS

AMSTERDAM,

VAN DER Giessen-Noord, Holland's second largest shipbuilding company, is to cut its dividend for 1975 to Fl.15 per share from Fl.18.

In a short statement ahead of the full figures, the company said in Krimpen that the past year had ended with a "good" operating result, fully in line with earlier predictions. The group had stated at the end of September that its operating results before depreciation and taxes—should reach Fl.14m. in 1975, about the same as for the previous two years.

Giessen added, however, that the company had in fact recorded a net loss of Fl.5.6m. in 1975. The yard, which builds ships up to 80,000 tons, pointed out that it had signed contracts for three liner vessels at the turn of the year 1975-76 on which it would incur heavy losses. It had taken the losses in anticipation of the support measures announced by the Dutch Government. A spokesman for the company added that contracts had been received from a Dutch shiping company, Nievelt Goudriaan (part of SHV) in Rotterdam, comprising three 12,000-ton ships.

The statement went on to say that the Dutch order assured work for the shipbuilding division until mid-1977. Since the size of the State support was not yet known, its effects could not be incorporated in the results for 1975. But Giessen has decided to charge against profits such major provisions that a Fls.5.6m. loss woul[d be] incurred.

Giessen, which with other yards h[...] by the limited dem[and ton]nage and the fierce [com]petition, warned on I[...] 1975—that is, befor[e] of the loss-making orders—that the profits would be below the 1974 lev[el of] Fls.5.8m.

As part of the ve[...] plans for the reorg[anisation of] Dutch shipbuilding, Giessen-De Noord negotiations with th[e] Dutch shipbuilding [...] ery group RSV abo[ut] fer of two of the l[...] for smaller ships—H[...] Alblasserdam—to Gi[...]

Second WCI Canada bid reje[cted]

The Canadian Government has rejected a second bid by WCI Canada to take over the appliance division of Westinghouse Canada.

The rejection opens the way for GSW of Toronto, the largest Canadian-owned appliance company, to reopen talks with Westinghouse Canada for its own take-over bid.

In March last year the Pittsburgh-based Westinghouse Electric Corporation, which holds about 75 per cent. of Westinghouse Canada's shares, agreed to sell its U.S. and Canadian appliance businesses to WCI Canada and its parent White Consolidated. The U.S. portion of the transaction was completed.

However, when Canada's foreign investment review agency rejected the initial W[...] bid for the Canadia[n] business GWS launch[ed ...] This faltered when [White Con]solidated denied GSW the Westinghouse [...] WCI Canada then re[...] Government approval [...]posal.

AP-DJ

Refining North Korea's debt

Local banking sources say Japanese trading companies and banks are seeking Japanese Government help in refinancing about $60m. (£31.25m.) of trade debts owed to them by North Korea.

North Korea is seeking a two-year deferment of the debts at an annual interest rate of 7 per cent., they say, while the Japanese creditors want 10 per cent. interest. The trade firms and banks have asked the Government for official financial assistance, such as funds from the Export-Import Bank of Japan, to refinance the debts.

Total trade debts owed by North Korea to Japanese trade firms and banks include $260m. of direct trade debts and $40m. of debts incurred through trade between North Korea and third countries, the sources say. Of the total, $60m. are reportedly in arrears.

The Ministry of International Trade and Industry has virtually suspended supply of export insurance on shipments for North Korea since last year.

Reuter

Jardine bid approved

The Indo-China Steam Navigation Company (Hong Kong) reports that shareholders have approved the scheme of arrangement for the company to become a wholly owned subsidiary of Jardine Matheson and Co.

The petition to the Supreme Court for approval of the scheme will be heard on April 15. If sanctioned, it is expected to become effective on April 20.

Jardine and its subsidiaries already own 53 per cent. of the 15.09m. Deferred Indo-China Steam shares and 99 per cent. of the 3.23m. Cumulative Preferred shares.

Terms for the bid were four Hong Kong dollars cash for every one dollar nominal Deferred Ordinary share, and one dollar cash for every 6 per cent. Cumulative Preferred Ordinary share, making an offer value of $HK30m. (£3.2m.).

The register closes on April 15 and trading in th[e] shares on the Hong [Kong] Exchange will be su[spended from] that date. Shareh[olders] receive their paym[ent on] April 20.

Reuter

Japan tightenin[g] on banks abro[ad]

Finance Ministry [...] the Ministry is tig[htening] policy on planned p[...] by Japanese banks banking ventures ove[rseas].

Plans for Japanese [banks to] acquire 50 per cent. [or more to] control such joint ve[ntures will] not be approved in p[...] the fiscal year st[arting to]morrow. Only a few applications may be [...] they said.

Plans for acquisition of less than 50 per ce[nt] scrutinised more clo[sely] before, the sources sa[id].

The stricter policy [...] to regulate such over[seas] ventures for which banks usually raise [...] Eurodollars for [...] borrowing short and [lending] long.

Japanese banks curr[ently con]trol 24 overseas joint ventures, the sources sa[id] this week the Ministry a plan requiring Japan[ese banks] to report regularly to t[he Minis]try on these joint vent[ures].

Reuter

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103	104
Ashland 8pc 1987	95½	96½
Austrasswiss 8pc 1987	93	94
Borregaard 8½pc 1986	96	97
Broken Hill 10pc 1990	103½	104½
Carrier 8pc 1987	93½	94½
Conoco 8pc 1986	99½	100½
Consol Foods 7½pc 1991	91½	92½
Cutler Hammer 8pc 1987	95½	96½
EIB 9½pc 1985	102½	103½
FRAP 9½pc 1985	102½	103½
Esso 8pc 1986 Nov	101	102
General Cable 8½pc 1987	91	97
General Motors 8½pc 1986	104	105
Granges 9½pc 1985	100½	101½
GTE 8½pc 1984	99	100
New Zealand 9½pc 1982	102½	103½
Pacific Light 8pc 1988	95½	96½
Prov of Quebec 7½pc 1988	90½	91½
Quebec Hydro 8½pc 1989	98½	99½
Queensland 8½pc 1987	91½	92½
Seanraff 8½pc 1988	98½	99½
Shell 8pc 1986	99½	100½
Stand. Oil (Ind.) 8½pc '88	101½	102½
Tenneco 7½pc 1987	92	93
Transocean 8pc 1986	99	100
Utah 8pc 1987	97½	98½
Volvo 8½pc 1985	101	102
NOTES		
Air France 9½pc 1982	103	104
Ardal 9½pc 1980	103	104
Aus. Ind. Dev. Co. 10½pc '81	104½	105½
Barclays 9½pc 1982	101½	102½
Cie Nat. du Rhone 10pc '82	104	105
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	101½	102½
General Motors 8½pc 1978	100	101
Montreal 9½pc 1981	103	104
Nippon Steel 9½pc 1980	102	103
Norway 9pc 1980	103½	104½
Skand Enskilda 10½pc '81	105½	106½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	77	79
Ashland 5pc 1988	85	87
Beatrice Foods 4½pc 1992	94	96
Beatrice Foods 4½pc 1992	99	101
Borden 5pc 1992	94	96
Broadway Hale 4½pc 1987	77	79
Canon Camera 7½pc 1989	125	127
Carnation 4pc 1987	81	83
Chevron 5pc 1988	105	107
Dart 4½pc 1987	97	99
Eastman Kodak 4½pc 1988	122	124
Economic Labs. 4½pc 1987	80	82
Fed. Dept. Stores 4½pc '85	117	119
Firestone 5pc 1988	83	85
Ford 6pc 1986	98	100
Ford 5pc 1988	87	89
General Electric 4½pc 1987	93	95
Gillette 4½pc 1987	82	84
Gould 5pc 1987	89	91
Gulf and Western 5pc 1988	100	102
Harris 5pc 1992	83	85
Honeywell 6pc 1986	92½	94½
ITT 4½pc 1987	77½	79½
Komatsu 7½pc 1990	100½	102
J. Ray McDermott 4½pc '87	129	131
Mitsubishi Elec. 7½pc 1991	103½	105
Mitsui 7½pc 1990	100½	102
J. P. Morgan 4½pc 1987	116	118
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	100	102
J. C. Penney 4½pc 1987	87	89
Pioneer 6½pc 1989	257	262
Revlon 4½pc 1987	101	103
Reynolds Metals 5pc 1988	89	91
Sperry Rand 4½pc 1987	98	100
Squibb 4½pc 1987	80	82
Texaco 4½pc 1988	77	79
Toshiba 6½pc 1990	104	105½
Union Carbide 4½pc 1982	126	128
Warner Lambert 4½pc 1987	92	94
Warner Lambert 4½pc 1988	82	84
Xerox 5pc 1988	73	75

Source: Kidder, Peabody Securities.

اقتصاد العالم

[IN]TERNATIONAL COMPANY NEWS

[Re]tco outperforms S.A. [pr]operty sector

[BY R]ICHARD ROLFE JOHANNESBURG, March 31.

[RETCO, the Brew]ERIES property arm, [i]ncreased pre-tax profits [... R7.1]m. to R7.4m. for the year [to] February and has thus [produced] the best recent results [of any] major South African [property] group, but particularly [in relat]ion to the other two big [groups]. Amaprop and Sorec. [At the] net level, profits picked [up from] R4.1m. to R4.3m. and [earnings] were 0.5c better at 7.1c. [The div]idend was raised 0.25c

[The la]test figures do not break [down p]rofits from rentals, dis[posals] or interest receipts, but [they] show a slight rise in [the] share of after tax income [from as]sociates. The pro-forma [balance] sheet has shareholders [funds] virtually unchanged at [... a]nd over the year long-[term] finance, reflecting the Debenture issue at 13.25 [per cen]t. in August, has risen [from R]29m. to R43m. thus the debt : equity ratio is 0.6 : 1 which suggests a certain amount of additional leeway is needed.

The debenture issue has improved liquidity, which net current assets of R1.4m. against net current liabilities last year of R3m. reflects. Moreover, with the funds earmarked for the proposed Arbitrage building not yet employed, Retco has probably done some arbitrage of its own in recent weeks with short term interest rates as high as 14 per cent.

Currently 67 cents, the shares yield 9 per cent. and stand at a discount of 30 per cent. to net asset value of 109c. The scope for capital growth is not large in the short term with excess office space still a problem, but in more buoyant markets the R108m. of property holdings should be viewed more optimistically, possibly in two years' time.

Robe River saga terminated

BY JAMES FORTH SYDNEY, March 31.

THE SAGA of Bond Corporation's negotiations to sell its 43.4 per cent. controlling interest in iron ore group, Robe River, ended to-day when the Western Australian property group accepted a joint offer from Burns Philp and the U.S. metals giant Engelhard Minerals and Chemicals.

Burns Philp-Engelhard was competing with W.A. iron ore magnate Lang Hancock who made a higher offer, but whose proposal apparently ran into legal problems which prevented its acceptance. Bond Corporation accepted the Burns Philp-Engelhard offer only hours before their deadline of midnight March 31 expired, and then only after the price had been upped 2.5 cents a share to SA1.175. The price accepted by Bond compared with an "effective" price of SA1.38 a share proposed by Hancock. However, the full details of the Hancock scheme were never divulged.

The Hancock deal apparently involved extended terms until 1980. This held little appeal for Mr. Jim Jamison, liquidator of the failed mining house Mineral Securities. Mr. Jamison is a key figure because Bond Corporation bought its share from him under a time payment deal due to run out next year. Bond Corporation was scheduled to make its 1976 payment of SA2.13m. early last month but began negotiations to sell the holding when it had trouble finding the cash.

Originally Burns Philp-Engelhard offered SA21.4m., or SA1.15 a share, with the bulk of the funds payable by August this year. It will now pay SA22m. with SA9.64m. paid on settlement in a few weeks' time, and the remaining SA12.4m. on August 1, 1977. This will enable Mr. Jamison to repay Minsec creditors on the time schedule worked out with Bond Corporation.

Bond Corporation chairman Mr. Alan Bond said he considered the Burns Philp-Engelhard price was still inadequate and the decision to accept it was not unanimous. But it had been considered prudent to accept to avoid financial pressures associated with Bond's holding in Robe and the legal complications associated with the Hancock deal.

The Hancock proposal envisaged a total consideration of SA25m. for the Robe parcel but Robe River had to agree to buy some of Hancock's iron ore royalties and a large iron ore deposit. This could have involved using Robe funds to pay eventually for Hancock's purchase of Robe shares, which would not be allowed under the Companies Act.

Bond Corporation has retained an option to call up the entire Burns Philp-Engelhard payments, exercisable within sixty days of settlement. The funds would have to be paid within a further fourteen days. It is suggested that Bond may offer to exercise this option.

This would enable an earlier repayment of Minsec creditors, if Mr. Jamison was prepared to allow a discount on the amount still owing by Bond. A proposal of this nature would probably need to be put to Minsec creditors for approval.

The Burns Philp-Engelhard deal is still subject to Government approval and of Robe shareholders, but no great difficulty is expected on either score.

Robe directors said the offer would be evaluated and they would report to shareholders "as appropriate." Robe also reported a dip in profits for the December half from SA2.3m. to SA1.9m., because of lower production and escalating costs.

Dealers warned against Sime Darby trading

KUALA LUMPUR, March 31.

MALAYSIAN stock brokers were warned to-day against dealing in those shares of Sime Darby Holdings, a British company, which are not listed on the Kuala Lumpur stock exchange.

The governor of Bank Negara (the central bank), Mr. Ismail Ali, said that action would be taken against such brokers if they were found trading in the unlisted shares.

The stern warning came following the disclosure by Sime Darby last week that 45,917,460 of its shares were not quoted on the Kuala Lumpur stock exchange although they rank Pari Passu with the rest of about 143m. Sime Darby shares.

In a reply to the stock exchange of Singapore, the company said it was "inappropriate" to submit to the jurisdiction of the Capital Issues Committee of Malaysia on the issue of the shares because the company was incorporated in Britain.

Mr. Ismail said that dealings in such shares not listed on the Kuala Lumpur stock exchange contravened the regulations of the exchange.

He was disappointed that although the bulk of Sime Darby's assets and profits were in Malaysia, the company had found it "inappropriate" to submit to the regulations of the capital issues committee.

Such companies were tapping the Malaysian capital market, using its facilities and yet defying its rules and regulations, he added.

Margaret Reid writes: The shares in question are thought to be recently issued ones, deriving chiefly from the conversion into Sime Darby Holdings shares of the 5¾ per cent. convertible guaranteed bonds 1988 of Sime Darby International Finance.

The matter at issue is believed to concern whether or not a company, like Sime Darby Holdings, which is based outside South East Asia, should submit to the jurisdiction of the Malaysian Capital Issues Committee before it can issue new shares. SDH is believed to have taken the line that it is difficult for it, as a British-based company, to acknowledge the jurisdiction of an authority in another country over the issue by it of new shares.

BOOKS

Son of Burr

BY C. P. SNOW

1876 by Gore Vidal. Heinemann, £4.10. 340 pages

The Family Arsenal by Paul Theroux. Hamish Hamilton, £3.75. 311 pages

Fong and the Indians by Paul Theroux. Hamish Hamilton, £3.50. 199 pages

Recently Mr. Gore Vidal published an article in the Times Literary Supplement called The Fall of the Novel. It was a witty and contemptuous attack on the University Novel, meaning the novels written and written about in American academies. Obviously this is not anything like the whole situation. Some of the best written criticism in the world is being produced in just those academies and some excellent writers are working there. But it is true that there is a dazzling amount of silliness in residence, highly paid, lavishly endowed. Mr. Vidal is mordant and independent enough to give his modern version of an emperor having no clothes—a professor having no mind.

In distinction to the University Novel, he employs another term, the Public Novel, that is, the kind of novel which has some connection with the world around us. Vidal is gloomy. The University Novel is idiotic. The Public Novel is gradually fading away through lack of attention.

I should have thought his own example, not as a pundit or fashionable commentator but as a creative writer, gives some evidence to the contrary. He is becoming more accomplished and more authoritative. I didn't care for some of his earlier extravaganzas, but his political trilogy contains the best things he has written. *1876*, the last of the triology to be published, comes chronologically in the middle. *Burr* is the first, *Washington DC* is the third. *Burr* is very good indeed, and *1876* may be even better.

By that date Charles Schermerhorn Schuyler, the engaging young observer in *Burr* and incidentally Burr's illegitimate son, is in his sixties. He has spent many years in France, has a widowed daughter with the fine Napoleonic title of Princesse d'Agrigente, and has returned to America to earn some money. He lost his fortune in the 1873 crash, and so father and daughter, realistic adventurers both of them, arrive in a country which he has forgotten and she has never known. Schuyler has written a book or two, and has some journalistic reputation. He finds a means of subsistence by covering the 1876 presidential election for J. G. Bennett's *Herald*.

All this is entirely convincing. Gore Vidal knows a lot about the political process, journalism, and unexalted human beings as they live their workaday sensual lives. He has brought in actual personages in the manner which seems suddenly to have become fashionable in the Public Novel (cf. Doctorow, Carpentier), but he has made them say and do only such things for which there is documentary support. He is *very funny* on *Mrs. William* Astor, the Mystic Rose, in the days of her social imperialism. When he deals with Grant, Blaine, the other political bosses, he is sardonic, but a subliminal indignation is simmering under his worldly knowledge. He says *outright, in a note* at the end of the book, that 1876 was the low point in the Republic's history.

In fact, however, neither he nor Schuyler find it easy to say may good words for the Republic at any time. Schuyler wasn't born (at any rate legitimately) into the American upper class, but he has moved into it, and he exemplifies some of its attitudes. He has seen every kind of corruption in Europe, and takes it comfortably enough. He accepts that this is how men behave, and it is not for him, not a moral paragon himself, to be any kind of judge of his fellow men. In America, faced with identical behaviour, he can't resist judging it. All his sophistication, and what he has learned about the world, is no protection. Europe is one thing. *Somehow, against any lesson that* good sense teaches him he expected better here.

This may be a reason why Americans, especially upper-class Americans, sometimes become excessively outraged at ugliness in their own society. It seems to be true of Gore Vidal. He has lived in Europe for many years, is experienced and tolerant: but sometimes, when he writes about America, there is condemnation lurking at the back of the urbane voice. Camelot incensed him. It was obviously pretty dreadful, but was it, in cold truth, so much more dreadful than other courts? Europeans fell for it, remember, as heavily as Americans. Not so much the English, perhaps. But then we had the privilege of knowing rather too much about Joe Kennedy.

Anyway, *1876* is a very good novel, sharp with intelligence. Gore Vidal has the satisfaction of proving some of his own critical lamentations wrong, or *at least premature*.

So does Mr. Paul Theroux, one of the best of youngish (he is 34) Anglo-American novelists. *Fong and the Indians* was published in America in 1968, and now for the first time here. *The Family Arsenal* is a new book *on both sides of the Atlantic*. The first is a sad comic work about Asian storekeepers in East Africa, funny in a Chekhovian fashion, probably only too true. The latter is a grim dead-pan study of to-day's layabout delinquents and terrorists in the back streets of London.

Mr. Theroux has a splendid ear (one of the first requisites for a realistic novelist), and an even more splendid eye. Perhaps his eye is a shade too splendid. He bombards us with visual impressions, brilliant for a page or two but something of an impediment to continuous reading. My one worry about him is that, almost entirely because of the undiluted sensuous impact, he may become a writer's writer rather than a writer with a public. He probably needs to make himself a little dull. Most popular writers do this by instinct, or because they couldn't do anything different. He will have to do it by conscious choice.

It is interesting that his fine and successful travel book, *The Great Railway Bazaar*, is somewhat more muted, and makes less demands on the reader's eye than the novels. That reminds one of V. S. Pritchett, the model of a writer's writer, with whom Mr. Theroux has a vestigial resemblance.

Gore Vidal: trilogy of American political life

Cutting edges

BY ISABEL QUIGLY

Harry Bleachbaker by N. F. Simpson. Harrap, £2.95. 110 pages

String Horses by Ursula Holden. London Magazine Editions, £3.75. 162 pages

A Soldier's Tale by M. K. Joseph. Collins, £2.95. 152 pages

Harry Bleachbaker is N. F. Simpson's first novel and no great surprise to anyone who knows his plays, a rather goon-like exercise in take-off of the world around us. Unlike most take-offs, it is not a series of set-pieces, individual swipes at this or that, but a single massive take-off of the whole of our society through its use of languages.

Within it there are take-offs of the world of communications, of publicity, jargon, and the solemn use of the apparatus of scholarship by the unscholarly; of causes and protests, do-gooders and protesters, archbishops and ecumenism, committees, funds and trusts, memorials and mementoes; but its real target is verbiage.

Without *bothering* over the obvious clichés, everyone's pet hates (grass roots, day and age, moment in time, etc.), it produces in a single page any number of others that are almost accepted among the educated—"insuperable objection," "abundantly clear," "unguarded moment," "heaven-sent opportunity," "ungermane thought," "moves are afoot," "lending a more than sympathetic ear."

Albert Whitbrace (the title, as the blurb makes clear, is misleading), a professional self-drowner who has never quite pulled off his own death, falls into the Mediterranean and there spends his last 27½ months, while Mrs. Whitbrace, a familiar face on television, platforms, and Women of the Year luncheons, campaigns on his behalf. This is the fairly far-fetched excuse for a novel of much verbal *brilliance*.

Ursula Holden is a very good writer: her first novel* suggested it, her second confirms it. She has a light touch with sadness, a weird comic talent that promises much for the future but produces a good deal already, and an almost short-hand method that crushes action into reaction, showing effects rather than causes and images rather than happenings. This elliptical style was almost disconcerting in *Endless Race* and is much better used in *String Horses*, an exhilarating advance in every way.

It is the story of Hope and Joanna, twin-like sisters tightly linked in loneliness and hatred of their mother (a doctor immersed in family planning to the exclusion of all e[…] ing them), schoolgirls *at a decaying Acade*[…] the eurhythmically-m[…] Delicate till Hope bo[…] odd-job man and Jo[…] ing after them as s[…] at school, turns up at […] camp they have fled for a joint rape, a wedding. Pregnant Hope transfers to […] the Catholic churc[…] still trailing, arrives […] the birth of twin[…] Hope's death.

This glum outline […] ing (outlines canno[…] thing: plots are r[…] convey the exuberar[…] happens, the intricat[…] manners and dialog[…] peculiar pathos of it[…] throwaway use of […] eccentrics, its lea[…] brevity, it recalls M[…] a little; but the vo[…] much Miss Holden […] startling.

M. K. Joseph's *A S*[…] does what Moravia […] did in *The Woman* […] tells a simple perso[…] what at one level c[…] the narrator's own […] another *admits to* c[…] it. The original nar[…] is an educated man […] Saul Scourby in the s[…] war, and sets dow[…] more or less as he h[…] with interpolations […] ments, explanations, […] expansion of the p[…] social background. […] to write the book he […] written, if he coulc[…] "Only he couldn't, […] he was stupid or ill […] but because he wa[…] man, too modest to h[…]

Corporal Scourby […] countryman serving i[…] at the end of the w[…] keeper, light on his […] in movement, effici[…] knife, a born comm[…] a time when horribl[…] is taken on anyone […] or knew the German[…] the woman Saul meet[…] *in with, has known* […] many, become, relu[…] unwittingly, too mu[…] At her gate, unhind[…] law or even the ch[…] appealed to), sa[…] avengers: she knows […] and mutilation will […] death and so does Sa[…] his own way of […] escape them. They […] few days togethe[…] weekend that stretch[…] pasts, into an imag[…] together, into a cl[…] seems to imply len[…] as depth in their rel[…]

This is the kind of […] novel that is rarely […] as it is here, mode[…] attractive, satisfactor[…] sets its own limitatio[…] just what it sets out […]

Independence and after

BY ALAN HODGE

John Burgoyne of Saratoga by James Lunt. Macdonald and Jane's, £5.50. 369 pages

The Road to Yorktown by John Selby. Hamish Hamilton, £5.50, 214 pages

The British at the Gates by Robin Reilly. Cassell, £6.50, 379 pages

John Burgoyne was serving in Boston in 1775, though not entrusted with any command in the depressing battle of Bunker Hill. He was aged fifty-two, experienced in the campaigns of the Seven Years' War, especially in Portugal, and for some time had been a Member of Parliament, favoured by William Pitt. When young, he had eloped with one of Lord Derby's daughters, married and lived in exile until there was later a family reconciliation. He was always popular with his troops and in London a gaming, club-going man.

While comparatively idle in Boston, he wrote a farcical play on The Blockade of Boston which was performed in the city. But he was not idle in his opinions on the American Revolutionary War. A week after Bunker Hill, he wrote to a correspondent in London:

> Enthusiasm on one side, perhaps mismanagement on the other, have produced a crisis that my little reading of history cannot parallel. The British Empire in America is overturned without great exertions on your side of the water.

This gloomy comment did not stop Burgoyne from accepting an *appointment in Canada to lead* an invasion of the American colonies by way of Lake Champlain, with Albany, New York, as his target. There, according to Government plans, he was to link up with General Howe from New York and divide the New England Revolutionaries from their southern compatriots. Burgoyne's attack of 1777 started well, but ended with disaster and surrender at Saratoga in October.

Burgoyne was admirably treated by his captor, Horatio Gates, and returned by sea to Westminster. The Government tried to heap all blame upon him, but he defended himself with some skill. He then wrote successful plays for Drury Lane and became commander-in-chief in Ireland. General Lunt has composed a lively and sympathetic portrait of him in *John Burgoyne of Saratoga*. He ends with Shaw's words in *The Devil's Disciple*: "Burgoyne's surrender *at Saratoga made him that* occasionally necessary part of our British system, a Scapegoat." "For this," General Lunt adds, perhaps cavalierly, "Burgoyne was, at least in part, himself to blame."

After Saratoga, the war in America lasted for another four years, with some notable British successes in Georgia and the Carolinas. Then came the surrender of Cornwallis at Yorktown, Virginia, in October, 1781. Though the British remained in New York and peace was not signed for another two years, Yorktown marked the end of active hostility.

The campaigns from Lexington and Concord onward are the subject of Mr. Selby's *The Road to Yorktown*, and he has given a unity to them and a sense of progress—which to most British eyes they lacked—by concentrating on the achievements of the American commander-in-chief. His associates, his allies and his opponents are also admirably portrayed, but Washington's skill in endurance is the centre of Mr. Selby's narrative.

A Connecticut recorder of the Congress at Philadelphia in June 1775 remarked that: "Washington was highly esteemed by those who knew him, but as to military and real service, he knows no more than some of ours." The need of New England for southern support secured his appointment. His chief service hitherto had been on expeditions to the Ohio, some years earlier, mainly against the French. Since 1759 he had been living at Mount Vernon, supervising his own and his wife's plantations.

The judgment and independence of view he had acquired served him extraordinarily well in war. He survived shortage of men, lack of money to pay them, and a frequent want of *munitions*. Boston, New York, Philadelphia and Charleston in turn were the main British headquarters: but the Continental forces were ingenious in their resistance. Washington's belief in the American cause, and his gift for patience in anger, saw him through the harsh winter at Valley Forge in 1777-8, and later, through Benedict Arnold's treachery.

By the time of Yorktown, he had French allies in force under Rochambeau, and the aid of expert German military trainers like von Steuben from Prussia. At the British surrender, Cornwallis pleaded illness and left the ceremony to his deputy, Charles O'Hara. It was therefore received by Washington's deputy, Benjamin Lincoln. But in Trumbull's painting of the scene, Washington naturally dominates the canvas, bestride his horse. *By tradition, the band of Cornwallis's* army, forbidden to use a march or anthem on the occasion, played the old English tune: "The World Turned Upside Down."

Peace between Britain and the United States lasted nearly twenty years, while America extended *its frontiers* westward. Troubles began between London and America during the later stage of the Napoleonic Wars. Blockade, embargo and the impressment of seamen were among the causes, and the imperial French government took advantage of them. Perhaps the outbreak of war in 1812 was a triumph for French diplomacy; since it was not much desired by Britain, and President Madison could have done without it.

Still, British forces burned the new capital city of Washington and invaded Louisiana, not long since an American purchase from France. By one of those ironies of history, the defeat and death of Edward Pakenham at New Orleans in January 1815, and the triumph of Andrew Jackson, occurred about a fortnight after peace had been signed by the American and British *commissioners in Ghent*. Transatlantic news travelled slowly. Mr. Robin Reilly has written an excellent account of *The British at the Gates* in 1812, particularly of the campaign and conditions in Louisiana, a state he knows well.

Friend of JFK

BY DAVID BUCHAN

Conversations with Kennedy by Benjamin C. Bradlee. Quartet Books. £3.95. 256 pages

This book is gossip; almost unashamedly so. Ben Bradlee makes little pretence of adding fresh insights into the major events of the Kennedy Presidency. But as the record of a relationship between one journalist and his quite exceptionally well placed source, it is fascinating.

Now editor of the Washington Post, Bradlee was throughout his friendship with Kennedy head of the Washington office of Newsweek magazine. Washington is a small, "company town" in the sense that its only business is politics and professional ties between politicians and journalists are generally close. But the Bradlee-Kennedy friendship had a personal basis, starting as neighbours in the "political ghetto" of colonial red-brick Georgetown, while Kennedy was merely a Senator.

On JFK's elevation to the White House Bradlee found himself writing Newsweek cover stories from the Kennedy family compound at Hyannisport; telephoning scoops through from the White House to his magazine; being given access to FBI memos of the President's choosing and so on. Heady stuff for a working reporter. Bradlee complains about planted *stories* and *news* management.

But although at one point in the book, he admits that "any information that I might receive no longer seems worth the price of appearing to ingratiate," he clearly found his friendship too good a chance not to exploit for professional reasons. The information traffic was not totally one-way. Kennedy stopped the use of lie detectors in a Pentagon investigation after a tip-off from Bradlee.

Kennedy let his hair down in front of Bradlee as he would *probably not have done with any* other journalist. Even so, the ground rules that Kennedy set for the diary that Bradlee kept of their encounters was that nothing would be published until five years after the President had left the White House. In the event, Kennedy "left" the White House much sooner, and this book was published much later.

Does it add an extra dimension to the public silhouette we already know? Bradlee claims that Kennedy was "half the 'mick' politician, tough, earthy, bawdy, sentimental, and half *the bright, graceful, intellectual* Playboy of the Western World." Curiously, it is the former half that here emerges clearest. He was cynical: the Catholic President is quoted as saying that he was "all for people solving their problems by abortion." His taste for smutty gossip about fellow politicians was at least equal to Lyndon Johnson's more publicised penchant for such material. And his language behind closed doors, if recorded accurately by Bradlee, was no better than that of Richard Nixon whose profanity on the famous White House "tapes" was excoriated by the Washington Post, by then under Bradlee's stewardship.

Irish worthy

BY AUGUSTINE MARTIN

That Myriad-Minded Man, a biography of G. W. Russell, 'A.E.' by Henry Summerfield. Colin Smythe. £8.75, 354 pages

Henry Summerfield's book does belated justice to a remarkable man. A.E. was at once a founding *father* of the Irish Literary Renaissance and at the same time its sacrificial victim. There was hardly an Irish writer between Yeats and Frank O'Connor who was not either financially or spiritually in his debt; and they paid their bills in the most various coin.

George Moore, his "friend" mocked him in the last volume of his autobiography yet Gogarty, the most irreverent man in Dublin, admired him this side idolatry. His friendship with Yeats fell upon such ambiguous days that he was tempted to dedicate his last prose work "to W. B. Yeats, my oldest friend and enemy." O'Casey, whom he had consistently defended, caricatured him in a graceless sneer as "Dublin's Glittering Guy." Yet Stephen *Dedalus may be thinking of more* than money when, in *Ulysses*, he mentally intones "A.E.I.O.U."

Dr. Summerfield's book rescues A.E. from the refracted light of literary witness and places the man and his achievement clearly before us. He is thus revealed as a man of astonishingly varied *gifts*, as poet, painter, editor, economist, agricultural reformer, political commentator, spiritual teacher. That he saw visions of the old Irish gods and of himself in previous incarnations seems indisputable. And curiously it was his visionary sense of life that provided the fuel and the fire for the practicality he brought to his "Augean task" at the editorial desk of *The Irish Homestead* and *The Irish Statesman* and to his championship of Sir Horace Plunkett's co-operative movement among the farmers of the west.

He believed in the eminence of a Celtic "Avatar" who would reawaken the old pagan energies in Ireland and make it the centre for a new dispensation that would transfigure the world. Thus his work with co-operatives went forward in the light of this visionary dimension. All of his poetry and his painting is directed towards uncovering the hidden divinity in man; and this explains why so much of it is vague, repetitive and incantatory.

Dr. Summerfield takes us meticulously through every step of Russell's career. Being for 25 years an editor, A.E. did most of his thinking in public, and history provided him with a crowded theatre and an animated audience. We see his reaction to the Great Strike of 1913, to the Easter Rising—which, despite his pacifist beliefs, he saw, momentarily, as an Irish *apocalypse*—to the Black and Tan war, to partition and the Treaty when Lloyd George summoned him to Downing Street to advise him on a settlement. Russell was so much at the centre of these events that his story is to a great extent a history of Ireland, social, political, religious and artistic, during the most exciting years of its recent history.

U.K. ECONOMIC INDICAT[…]

General	Unit	Mar. 1976	Feb. 1976	Jan. 1976	
Unemployed¶	'000s	1,284.9	1,304.4	1,430.3	
Unfilled vac'ns	'000s	106.9	99.4	88.8	
		Feb. 1976	**Jan. 1976**	**Dec.**	
Currency resrvs.	$bn.	7.024	6.785	6.429	7.
Bank advncs. b	£bn.	14.317	14.488	13.731	
Basic mater'ls d	1970=100	263	260.9	259	2
Manfd. prods. d	1970=100	206.9	204.9	201.5	1
Terms of trade	1970=100	81.3	81.0	79.7	
Retail prices	Jan.'74=100	149.8	147.9	146.0	1
Wage rates	July '72=100	203.9	200.7	197.0	1
		Jan.	**Dec.**	**Nov.**	
Retl. sales val.**	1970=100	193.2	186.4	180.3	
HP debt¶	£m.	2,299	2,320	2,289	2
Indust. output	1970=100	99.7	98.8	100.2	1
Trade and Industry		**Feb. 1976**	**Jan. 1976**	**Jan.-Feb. 1976**	
Cars*	'000s	134	97	116	
Comm. vehicles*	'000s	33.3	29.6	30	
Imports f.o.b.	£bn.	2.085	1.951	1.978	1
Exports f.o.b.	£bn.	1.756	1.778	1.767	1
Visible trade balance	£bn.	−0.249	−0.173	−0.211	−0
Steel (weekly average)	'000 tonnes	450	392	421	
		Jan. 1976	**Dec. 1975**	**Jan.-Dec. 1975**	
TV sets‡‡	'000s	177	217	211	
Radios, radiograms‡‡	'000s	443	185	365.5	
Man-made fibres*	m. kgs.	54.37	46.2	40.85	4
Houses completed¶	'000s	23.9	28	26	
Bricks*	millions	438	413	418	
Cement (weekly average)	'000 tonnes	256.7	238	324	
Furniture†**	1970=100	160	149	154.8	
		Dec. 1975	**Nov. 1975**	**Jan.-Dec. 1975**	**D**
Petroleum†	m. tonnes	7.56	6.88	6.69	8
Hosiery**	1970=100	79	93	94	
Elec. cookers f	'000s.	63.7	51.6	78.8	
Washing mchns.	'000s	40.5	49.2	77.9	5
Raw cotton (weekly av.)	'000 metric tonnes	1.70	2.32	2.09	1.
Raw wools	m. kilos	9.3	9.7	9.2	
Enginrg. (orders on hand)**	1970=100	99	100	111.3	1
		Oct.	**Sept.**	**Jan.-Oct.**	**O**
Machine tools†	£m.	26.9	27.3	24.7	2
		4th qtr.	**3rd qtr.**	**Year to date**	**4th**
Consumer spending	1970 values	8,790g	8,814	35,645	9.0
Motor trade turnover	1972=100	153	151	146.5	1
		3rd qtr.	**2nd qtr.**	**Year to date**	**3rd**
Bldg. and civil engineering* c	£bn.	3.097g	2.920	8.661	2.6

* Production. † Deliveries. ‡ Net sales. § Consumption. ** S[…] adjusted. †† All manufacturing industries. ‖ Excluding ca[…] ‡‡ Deliveries, U.K. made and imported sets. b From M[…] onwards new basis of calculation refers to advances to U.[…] and private sector. Historical figures on new basis not a[…] d Prices. f Including cooker griller toasters. c Value of […] ¶ United Kingdom not seasonally adjusted. g First pre[…] estimate.

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FINANCIAL TIMES SURVEY
Thursday April 1 1976

Regional Development

The present regional policies were designed to assist areas with high unemployment and to restrict development in the more prosperous parts of the country. But the uneven effects of recession have caused the Government to revise its priorities.

Questioning the basic concept

By Roy Hodson, Regions Editor

NAL DEVELOPMENT in has been undergoing urprising twists and turns the last year while the ment's aid policy has ed manfully to keep up. e first time since the were strengthened into imately their present me ten years ago, to en- dustrial development to uraged across wide areas country where unemploy- is high and to restrict pment in the prosperous he very name of the game d to be called in question nd again.

the direct and indirect nent onshore and offshore loit the North Sea oil and lds has quickly gathered arts of Scotland have been ng from distinct local ating of the economy. The om has also helped keep moving in the North East as traditionally that area en the region of England n need of assistance dur- y period of recession.

k, meanwhile, seems to deserted the North West, n particular, Merseyside, e time being. That region ctually been suffering a e in its share of new trial investment. It is too om the North Sea to enjoy than peripheral benefits t has not been given a nment priority above that other assisted areas. Local n, however, is not too nistic about the longer prospects.

t the shock waves of sion have been felt cly also in the tradition-ally buoyant areas of light manufacturing closely geared to consumer needs. The West Midlands has had a bad time principally because of its high degree of dependence upon the automotive industry. Some of the Yorkshire and Humberside manufacturing towns have been experiencing real difficulties.

In London itself the rapid run-down in manufacturing jobs has not been checked (because the present regional aid policy is itself designed towards achieving just such an end) and the result has been that London has started suffering some unemployment rates as high as twice, even three times, the national average in the older manufacturing areas such as Stepney, Poplar, Holloway, and Canning Town. The remainder of the South East has remained sufficiently buoyant meanwhile for this state of affairs to develop almost unnoticed by the general public.

Government spending upon regional development is running currently at about £500m. a year. That figure takes into account regional development grants, selective assistance to companies (a means of helping industrial expansion which has been continually developed and refined during the last three years), government factory-building, and the regional employment premium.

The bias of the system is all towards helping the traditionally difficult areas in the north and the west of Britain. As the accompanying table shows Scotland, Wales, and the Northern region have so far been paid a total in development grants of nearly £180m. in the current financial year while the North West region has had only £35m., and the rest of England £18m. The offers of selective assistance tell a similar story with the exception that the North West has had a good number of offers as the Government has tried to encourage local industrialists to help themselves in the absence of any sizeable flow of new inward investment into that region.

The regional employment premium is paid to manufacturing industry in the Development Areas only. Last year the rate was doubled—it is now £3 a week for a full-time male worker and at lower levels of other categories — and the premium is now effectively pumping £200m. a year into the Development Areas. It is no help to the rest of Britain.

An urgent problem, then, is how to alleviate declining industrial activities and high unemployment in parts of the country which have for so many years been kept on a close rein so far as industrial development aid is concerned. The Government is coming up with a few answers.

The use of the Industrial Development Certificate restriction as a means of steering new investment away from the Midlands and the South has been to some extent relaxed. An experimental scheme is being tried whereby companies will be allowed certificates to redevelop old industrial sites in the London and Birmingham conurbations as long as they will demolish old factory space equivalent to the new premises built. However, the scheme suffers from the defect that the Department of Industry is insisting that no extra jobs be created. How will that help reduce high urban unemployment, the Greater London Council and the Birmingham District Council are asking.

In response to representations from the West Midlands, Mr. Eric Varley, the Industry Secretary, is now anxious to help the many small firms there which have not been eligible for assistance and which have not been prepared to pull up their roots and move to the assisted areas. He has promised a more flexible approach and says he will support worthwhile company projects in the West Midlands.

Projects

His promise is to back some small projects of under the usual qualifying limit of £500,000 capital investment. The West Midlands planners believe that such help could encourage £40m. of new investment in the area. It will be interesting to see whether Mr. Varley's initiative will be extended to other non-assisted areas where unemployment has become a serious problem and industry is declining.

The Government has underwritten its regional development programme for the next five years in the recent White Paper on public spending. The intention is to spend around £600m. a year on regional development grants, the provision of land and building, selective assistance, other forms of regional support, the regional employment premium, and the two new development agencies which have been set up for Scotland and Wales.

Clearly Scotland will have high priority in that continuing programme. There is an overriding national need to so improve the Scottish manufacturing and service facilities and the infrastructure as to match the ambitious plans for exploring the oil and gas fields. In priority terms the Northern Region must run Scotland a close second although Northern Ireland's claim is strong. The economy of Northern Ireland has been visibly weakened by the combination of international recession and the continuing political unrest. Although the aid to Northern Ireland is, in real terms, the most generous afforded any U.K. area an ever greater concentration upon encouraging new industrial investment looks like being necessary if the economic health of the province is to be guaranteed.

Nor can the Government afford to overlook the claims of Merseyside and the remainder of the North-West. Merseyside has been given the top aid status of Special Development Area. But unemployment there is above 10 per cent. and the special plight of Merseyside is not eased by the ageing industrial pattern and obsolete infrastructure of many other parts of the North-West nearby.

As industry begins to invest again in new plant for the expected higher level of demand it will be important for the Government to look closely at the relative priorities of the traditionally depressed areas and the other places where depression has more recently appeared as a problem.

Among the most successful elements of the regional development programme has been the new towns scheme. The ability of a professional body such as a new town executive to drive forward a programme of industrial development and house building cannot be denied. The same philosophy might easily be applied in the future to solving some of Britain's most intractable cases of urban decline such as Merseyside and London's dockland.

A name has already been invented. Specific areas could be tackled by "Old Town" executives set up for the purpose. The idea of Old Town executives is attracting increasing attention as a means of sending in a fire brigade to solve a difficult economic situation in a closely-defined urban area.

REGIONAL AID

Development Grants paid so far in the financial year 1975-76 £m.

Scotland	64.2
Wales	35.5
Northern Region	77.7
North West	34.5
Yorks. & Humberside	13.1
South West	3.7
East Midlands	1.3

Offers of selective assistance 1975/76

	offers
Scotland	138
Wales	94
Northern Region	126
North West	166
Yorks. & Humberside	103
South West	34
East Midlands	39

REGIONAL DEVELOPMENT II

A generous array of investment aids

THE GOVERNMENT'S armoury of weapons for encouraging and assisting industrial development projects has been strengthened by the legislation contained in the 1975 Industry Act. If industry's mood during the coming months is towards new investment—and there are positive signs—then companies will be helped by the largest, most generous, and most flexible array of investment aids that the country has ever employed.

But weapons are useless without soldiers. The immediate future of regional regeneration in Britain depends totally upon whether the business world will have the confidence and resolution to enter into expansion programmes with a view to better times ahead, and thus help expand the economy out of recession.

Regional policy in Britain has two main components. There is the package of statutory and selective assistance available to both the public and private sectors of industry for setting up or expanding in parts of the country where the Government desires to promote faster growth or to check industrial decline. There is also the weapon of control to restrict industrial investment where the Government feels it would be undesirable. That weapon which has now been used for a good many years is rough and ready but so far no one has found a better one. It is the Industrial Development Certificate which must be issued by the Department of Industry to support an application for planning permission for industrial development in certain parts of the country, and above a certain size of development.

Weakness

During the recession the IDC system has again exhibited its basic weakness. Companies prohibited from expanding their existing factories because IDCs have been refused to them have tended to sit on their expansion plans rather than be cajoled to move into one of the development regions.

IDCs are not required in the development areas and Northern Ireland but are required in the South-East for any building of more than 5,000 square feet and in the Midlands and other non-assisted areas for buildings of more than 10,000 square feet.

The Government claims that it has been looking at IDC applications with more sympathy than usual but a number of industrialists in the South-East and the Midlands would contest that. Clearly it is not possible to relax the IDC restriction entirely without putting the development regions, where the need for new industry is greatest, at a disadvantage.

A feature of the industrial pattern of the past year has been that the slide into recession and unemployment has been steepest in some of the traditionally most prosperous areas of Britain. The west Midlands and the manufacturing area of south-east London are two examples. Meanwhile, some of the development areas have been doing better than expected because of a continuing demand in sectors of heavy engineering and, in particular, because of the impact of the North Sea oil boom.

The way things have been going can be clearly seen from new figures issued by the Department of Industry which show, for the first time, the regional pattern of manufacturing industry's capital spending.

Between 1974 and mid-1975 the share of the south of England and the Midlands declined from 47 per cent. of all new manufacturing investment to 42 per cent. Meanwhile the beneficiaries, admittedly during a slack time for all new investment, were Scotland and Wales, the North of England, and the Yorkshire and Humberside region. The accompanying table based on the department's figures shows the trend, with Scotland enjoying an increase of more than 2 per cent. in its share of total new industrial investment and the Northern region a similar increase. Parts of the United Kingdom where unemployment is high and concentrated and old industries such as coal mining and shipping are in decline are designated in the highest category for help—namely Special Development Areas. The big change in recent Government policy has been to include Merseyside where unemployment has been persistently severe in spite of continuing efforts to inject new industry. The SDAs offer a slight edge in regional development grants over the wider ordinary Development Areas which cover Scotland and the North, Wales, and a small area of the South West. In the SDAs grants are pitched at 22 per cent. for plant and machinery. In the ordinary Development areas the level is 20 per cent.

Both categories of development area also offer the £3-a-week regional employment premium for manufacturing workers. That subsidy is, in effect, a manufacturing subsidy for development area industry.

Next down the line in priority terms for the Government aid programme are the Intermediate Development Areas. They include North West Britain, Yorkshire and Humberside, and some areas of Wales, and Plymouth. The attitudes within these areas to their half-and-half status vary tremendously. Some areas believe they need rather more assistance to secure proper industrial development and are continually lobbying the Government. But others regard their industrial base as sufficiently strong for them to proceed without special help and tend to regard the Intermediate area status as a bonus for incoming industrialists rather than the prime reason for their coming.

Apart from these broad bands of Government aid based upon geographical areas the Industry Act 1975 has resulted in the formation of the National Enterprise Board. It is early days to comment upon the effectiveness of that body in promoting industrial expansion. But clearly it has an important role to play within the strategy of the present Government in encouraging major change in the national industrial picture. Scotland, Wales and Northern Ireland have their own miniature editions in the form of quite separate development agencies. They have similar powers to the NEB within their own territories but the NEB has an overriding responsibility for truly national industrial questions.

Other elements of the Government's policies are the continuing new towns programme, which is the biggest in Europe and enables a compan
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Roy

INCENTIVES FOR INDUSTRY

THE SPECIAL DEVELOPMENT AREAS:
Regional Development grants are made on items of plant and machinery costing more than £100, and on individual building schemes costing more than £1,000. The rate is 22 per cent. for both plant and buildings.
The regional employment premium is paid to employers with manufacturing establishments at the rate of £3 a week for full-time adult males, £1.50 for full-time adult females and boys, and 95p a week for full-time girls. Half the rate is paid for part-time employees.
Contracts preference schemes are operated for the areas. Firms are given every opportunity to tender for public contracts and where all other factors about competing tenders are equal the public sector will give preference to firms in the areas.

THE DEVELOPMENT AREAS:
Regional Development grants are provided in the same way as in the Special Development Areas for plant and buildings but at the lower rate of 20 per cent.
The regional employment premium is the same as in the Special Development Areas.
The contracts preference schemes operated are the same as for the Special Development Areas

THE INTERMEDIATE AREAS:
Regional Development grants are made only on buildings and are paid at the rate of 20 per cent.
No regional employment premium.
No contracts preference scheme.

NORTHERN IRELAND:
Capital and industrial development grants awarded at the discretion of the authorities at rates of between 30 per cent. and 40 per cent.
A comprehensive package of loan guarantees, transfer assistance, rent-free concessions, and help in training, together with all the usual help available to the mainland regions including the contracts preference scheme.

Incentives available to all categories of assisted regions:
Selective assistance is available under the 1972 Industry Act, to encourage sound financial projects. It can take the form of straight loans but is often given in the form of grants towards the interest costs of loans raised from banks and other private sector institutions.
Removal grants can be provided for firms coming into an assisted area. For offices, research businesses, and other service industry there is a grant of £800 for each employee moved with his work up to a limit of half the number of jobs involved. There is also a grant to cover the rent of premises for up to five years in Special Development and Development Areas, and up to three years in an Intermediate Area.
The Government's factories either built in advance of need or custom-built for a company can be provided rent-free for the first two years.
Tax allowances apply to all areas. There is a 100 per cent. first-year allowance on capital spending on plant and machinery (not private cars) and 44 per cent. first-year allowance on building costs for industrial premises.
When tax allowances are computed the various regional development grants are not treated as reducing the capital spending.
Loans are available on favourable terms from various European Community funds and the European Investment Bank.
Free training services are operated by the Training Services Agency.
There is help for transferred workers including free fares, lodging allowances, and help with removal expenses.

MANUFACTURING INDUSTRY'S CAPITAL EXPENDITURE BY REGION

	England: North	England: N.W.	England: Yorkshire and Humberside	England: Rest	Scotland	Wales	N. Ireland	Total U.K.
	Percentage of United Kingdom							£m.
1974	10.4	14.2	11.2	46.5	9.4	6.1	2.2	3,242
1975								
1st Qtr.	12.7	13.8	12.0	41.4	9.7	8.6	1.8	877
2nd qtr.	12.6	13.0	12.6	42.0	11.7	6.4	1.7	844

DESIGNATED ARE
INDUSTRIAL EXP

SPECIAL DEVELO AREAS
Parts of Scotland.
Parts of North East E
Parts of Cumbria.
Merseyside.
Parts of North Wales.
Parts of South Wales.

DEVELOPMENT A
All Scotland outside t areas.
All the Northern Regi the special areas.
All Wales outside th and intermediate ar
Part of the Yorks Humberside Region
Cornwall and North I

INTERMEDIATE A
The North West, and and Humberside (ot full or special area
Parts of South Wales a Wales.
The Plymouth area.

NORTHERN IREL
Full range of special i

North West confident of a recovery

FROM a debilitating low, measured by investment and expansion initiatives, there are now some signs that regional development in the North West is moving towards a more confident phase. Given a more settled political situation nationally and internationally, the end of the year is now seen as the turning point. John Townson, managing director of the Bolton-based Townson Developments, defines the present mood in the region as reflecting "a groundswell of opinion which says now is the time for cautious progress." The assessment is based on current levels of industrial property inquiries and lettings.

Even at the lowest point of the trough there was a market but the sharp fall in fresh starts now seems certain to bring a shortage of modern industrial buildings when the upturn in the economy does come. "As a result," says Townson, "rents will go up, as will freehold values." In the present interim period, identified as such by a growing number of private developers in the North West, there is evidence that more industrialists are planning ahead and particular concern that the region should have a sufficient stock of modern off-the-peg advance factories ready to take full advantage of the situation when the economy picks up.

For a long time organisations such as the North West Industrial Development Association were highly critical of what they considered the disproportionately low allocation of Government advance factory building to the region. Official figures certainly seemed to support the association's case. But the past two years have seen a considerable improvement, with the high point last November when the North West's share of the new factory building programme announced at that time reached 33.6 per cent, after a 14.5 per cent slice of last July's programme and 13.8 per cent in February.

Considerable resources have been steered to Merseyside, the sub-region with Special Development Area status and a persistently high scale of unemployment which has often been twice the national average. By the end of last year nearly 500,000 square feet of advance factories were in the pipeline on Merseyside. Liverpool faces particular social and economic problems in its inner areas and a preliminary report to a county structure plan has argued for a shift of the Department of Industry's advance factory building programme from large units on green field sites to smaller units in problem areas.

Initiative

As a result of a Merseyside County Council initiative two inner areas of Liverpool and Birkenhead have in fact been selected for the building of nursery factory units designed to house small companies with growth prospects at economic rents. The units will help to provide jobs for skilled workers at Sandon Docks and Rock Ferry, two areas affected by urban blight.

A plea for greater recognition of the need for advance factories to be sited in Lancashire textile towns affected by the rundown of a once basic industry has been made by the North West Industrial Development Association, which singles out the Bolton - Bury-Rochdale-Oldham-Tameside belt.

Beneath the Special Development Area ranking of Merseyside and the Development Area grading of Furness the whole of the rest of the North West is Government-assisted as an Intermediate Area. Yet successive regional aid policies have so far failed to bring any lasting cure to the basic ills of the North West, a region which has experienced industrial change greater than any in the country. Noel Belam, North West Director of the Department of Industry, estimates that 30,000 new employment opportunities have been created over the past two or three years and that over 400 new firms have opted to move into the North West, or set up shop or expand there.

Undoubtedly, the package of incentives provided by the 1972 Industry Act has been particularly beneficial to the region. The reprieve of the Regional Employment Premium and the doubling of its value has also been of considerable importance to the manufacturing industry of Merseyside.

But the jam has been so widely spread in recent years that its effectiveness becomes questionable, especially in time of national economic recession with footloose industry largely immobile. Yet even on Merseyside, with the largest package of incentives of all, there is recognition that SDA status in itself is no magic wand. Other factors must also come into the reckoning. What can be argued is that assisted status has helped in diversifying the economic structure of the North West and stopped the gap between jobs and jobless widening to the extent it might have done in an unaided region.

The Strategic Plan for the North West argued that regional policies had been addressed primarily to dealing with structural weaknesses in regional economies and not directly at tackling problems of industrial efficiency and competitiveness. Remedying of performance weaknesses, it suggested, might well be vital to the creation of a stronger North West economy.

One trend that stands out clearly is the sharper regional sensitivity in recession on matters to do with aid and resources. For example, the North West Industrial Development Association is pressing for a major review by Government of present regional policies, citing "the relative improvement in the economic and employing position in Scotland and the relative worsening of the North West's position"—meaning that Scotland's assisted status should now be downgraded.

Sensitive

Devolution to the Scots and Welsh is another sensitive area certain to lead to demands from North West England, if not from other English regions, for similar powers and funds to win new investment projects and employment. Recent seasonally-adjusted unemployment figures showed that at 6.2 per cent. the North West had more people out of work than Scotland.

The creation of Development Agencies for Scotland and Wales is seen as a further potential threat and a direct reaction can be seen in recent Commons demands for the creation of a £50m. Development Agency for Merseyside. Similarly, there is pressure—for prestige as well as practical reasons—for the headquarters of a nationalised British shipbuilding industry to be based on Merseyside.

Implicit in the reasoning of the North West at the present time—and the mood suggests more a sense of injustice than self-pity—is that Government policies towards Scotland and Wales are being shaped by blatant political expediency. Nowhere does this belief find sharper expression than in the breakdown of aid for 1975 under the EEC's Regional Development Fund. Cheshire County Council articulates the region's concern when it claims that non-English regions of the U.K. all received at least four times the assistance per head received by the North West. In the case of Northern Ireland the aid reached eight times that of the North West.

Meanwhile, it is against this background that the National Enterprise Board takes on the task of overcoming the suspicions of North West industry and convincing it that its ambitions are not predatory but concerned solely with the region's economic health.

The North West office is based on Liverpool, and Arthur Ward, who moved from the post of North-West regional industrial director of the Department of Industry to take over, says the first few months have been spent largely in recruiting and explaining. He draws an analogy with a merchant bank interested in growth, expansion and export potential but agrees there have been misconceptions. "Our major activity really," he says, "will be as a new source of equity finance for manufacturing companies wanting to expand or modernise."

Tom Heaney

Scotland and North East

THERE IS a persisting case for some optimism about the way that Scotland has managed to withstand the present trade recession. Recent trends, notably in employment performance, have provided valuable (but not yet conclusive) evidence of a possibly permanent improvement in Scotland's relative economic position—the pay-off both from a decade of regional development policies and nearly half a decade of intensive North Sea oil activity.

It is expected, of course, that unemployment will continue to rise perhaps for most of this year. And within that gloomy expectation there is acute concern about the immediate prospects for such industries as shipbuilding, heavy engineering and construction—the first two of which are reaching the end of order books which have so far maintained employment remarkably well. And in the medium term there is no chance of subduing anxieties about the steel industry, which is just now embarking on its long-delayed labour-shedding exercise, or the vehicle industry, in which the State-rescued Chrysler company has yet to demonstrate the competitive viability of its reorganisation in the Midlands and Strathclyde.

[Im]provement

[Ne]vertheless, a number of [...]tional measurements [...] marked improvement in [...]d's position relative to [...]est of the country. [...]d's share of British [...]yment, for example, has [...]teadily in recent years. [...] Department of Employ[ment] seasonally adjusted [...]. Scotland had 11.5 per [...] of Great Britain's [...]loyment last September. [...]is fell to 11 per cent. in [...]. That compares with 12.4 [...]ent in March 1975 and 15 [...]cent. and nearly 17 per cent. each of the two previous [...]. Indeed, as Strathclyde [Uni]versity's Fraser Institute [...]ed out in its latest quarterly [com]mentary, had it not been for [...] relative strengthening of [Sco]tland's position, crude un[emp]loyment north of the border [wou]ld now be well over 200,000, [com]pared with the March total [...]5,000.

[...] Institute also referred to [...]er symptom of improve[ment]: the higher-than-British [...] of employment vacancies notified by industry. [...]ing aggregate demand [...] ratio of unemployed to [...]es, it demonstrated that [...]he last four years the [...]as improved remarkably in Scotland against a deteriorating nationally. In only one U.K. region, the South East, was the ratio lower than in Scotland at the end of last year, while the usually buoyant West Midlands had a ratio twice as large as Scotland's.

Much of this is clearly due to the substantial restructuring which has been achieved through regional development and industrial relocation policies carried through by central government. A substantial change has been accomplished in the region's employment base. While job losses in declining industries like shipbuilding, coal mining, textiles and heavy engineering have by no means been balanced by growth in the new sectors, there is now a much stronger representation of consumer, precision engineering, science-based and electronics industries.

Notable among these is the electrical and instrument engineering industry which has shown a marked buoyancy during the current recession, with encouraging short-term prospects. With new investment and some expansion of existing facilities under way, it appears to be one of the few manufacturing sectors in which it is thought possible to predict any employment growth this year.

Expenditure of Government aid programmes has continued at a high level, both for the expansion of established Scottish industries and to encourage the choice of Scottish locations by what little "mobile" industry there is domestically and from overseas. In the last financial year, Scotland took a third (£146m.) of the total expenditure on regional preferential assistance to industry, and identifiable public expenditure, devoted either to direct industrial assistance or to the creation of infrastructure to aid growth, rose in the last five years from £364 to £691 per head.

This expenditure is likely to be boosted further this year as the new Scottish Development Agency gets to work. Launched in December, the SDA has a budget of £200m. (with a further £100m. "on call") during its first five years. It has taken over responsibility for (and will double the construction programme of) the Scottish Industrial Estates Corporation, which in the last 30 years has built up and administered the 24m. square feet of Government factory space in Scotland.

Industrial inquiries remain around last year's depressed level. During the first two months of this year there have been 91 inquiries for Scottish factory space, handled by the Scottish Office's new Industrial Development Division in Glasgow. This was transferred from the Department of Industry in the summer. The figure compares with 95 in the corresponding period of 1975, though last year's total of 530 inquiries itself showed an overall drop of 19 per cent. from 1974.

The number of offers of selective assistance made to industry during 1975 was similar to the 1974 level—166 offers compared with 158. The project costs, however, more than doubled, influenced no doubt in large part by inflation. The increase in investment from £111m. to £245m. was not reflected in a proportionate rise in the estimated additional employment associated with those projects: that is expected to have risen from 14,000 in 1974 to 18,400 in 1975.

However, the provisions of the Industry Act have clearly had a major impact. Up to the end of February last, 322 offers of selective assistance amounting to £60.5m. have been made to companies in or coming to Scotland, where the total projected investment was estimated at £546m. reckoned to produce employment for some 49,000 people. Over 37,000 claims for regional development grants (20 per cent. and 22 per cent. of capital expenditure respectively in Development and Special Development Areas) have been processed on investments exceeding £1bn. More than four-fifths of these have been cleared.

But undoubtedly the most important influence bolstering the local economy has been the activity associated with North Sea oil. There are now estimated to be some 700 manufacturing and service establishments in Scotland involved in North Sea work, employing about 36,000 people. About 24,000 of these jobs have been provided by the creation of new industrial units specifically designed to serve the new market.

Salvation

Rig activity in the North Sea reached a plateau last year and it seems clear that on the east and north coasts a saturation point has been reached in the level of investment committed to port developments designed to accommodate rig and platform service vessels. It is expected that offshore exploration will be revived rather than substantially expanded by the

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Industrial estates

AT THE Gateshead headquarters of the English Industrial Estates Corporation there are three wall maps. They show the country's development areas, and the locations of the Corporations factories and industrial estates within them. Over 100 pin points of light illustrate dramatically the Corporation's progress since its conception in the depression years of the mid-1930s.

Designed to bring much needed employment to the development areas through Government intervention, the Corporation has grown to the point where it now owns 800 factories worth £180m., has 450 tenants, and currently provides 106,000 jobs from the North East to the South West. In the Northern region alone, 94,000 people work in Corporation-owned factories against a combined payroll of 89,000 for the traditional industries of coal-mining and ship-building.

Currently embarked on a crash expansion programme on a further 70 sites, the Corporation "brings the jobs to the people" on a minimal budget and with a workforce, mainly technical, of under 250 people. It is a remarkable enterprise for several reasons.

Agency

First, it is an autonomous development agency, working in very close co-operation with the *Department of Industry and, in* some areas, with the Department of the Environment. Parliament decides on a development programme, the regional DoI offices seek out available land, and this is then leased to the Corporation for industrial development at a peppercorn rent.

The Corporation in turn builds factories which are let out to industry on 21-year leases or, occasionally, purchased. Rents are fixed at current local market prices by the District Valuer, and it is at this point that incoming industry benefits materially from the Corporation's work, and incidentally by-passes some of the fussier fine print in the EEC development regulations.

There are no subsidies involved in these rents. By definition, though, the industrial property market in a depressed *region will itself be depressed.* Thus the rents will be very low when compared with the more prosperous regions. In addition, the Corporation works on a nil capital basis. What profit there is accrues to the tenant.

Secondly, Corporation developments are sited specifically either to relieve unemployment or to provide employment in rural areas to check outward population drift. In either case, incoming industry will find a readily available workforce, usually with sufficient skills for industry's needs. Unlike new town developments, the Corporation's projects are thus linked to the needs of an established community, with established housing, communications, and services.

Thirdly, as these projects are sited in the development areas, incoming tenants will still be *eligible for those grants, allow*ances, and other financial inducements offered by central government. They gain on both the swings and the roundabouts.

The fourth advantage is the experience and skill which the Corporation has developed over the years in planning, building, *and administering their* estates with the minimum of fuss and the maximum of efficiency. As a social agency, their regional impact is considerable. As landlords, they are co-operative and understanding. They are, after all, the country's largest industrial landlord.

The scale of the Corporation's impact on regional development particularly in the North can be judged by the fact that its factories provide one job in four for that region's workforce. Elsewhere, in the South-West for example, emphasis is *more on single factories in an* effort to prevent population drift from the region.

*Whatever the reason, the Cor*poration and the DoI need to be selective in the tenants they choose. Ideally, estates should be comprised of diverse industry which will add to its location's material prosperity over a long period. In the case of the single factories, often in rural areas, it is essential that *a new tenant is likely to remain* commercially viable.

The other partner in the enterprise, the DoI, vets prospective tenants and is responsible for allocating the industrial sites, attracting industry to them, and defining the criteria by which industrial development will proceed. Decisions taken during the recession, and that is the time when most of the Corporation's are taken, will have an effect long after the recession has passed.

Immediate

The effect of such industrial development decisions on a community is immediate, for the Corporation builds in advance of current commercial needs. Thus local building labour, contractors and specialists are employed at a time when other employment prospects are *bleak. Job creation,* for that is the essential work of the Corporation, begins at the local draughtsman's drawing board.

Gaining tenants from non-development areas is only one part of the Corporation's task. There are local businesses to be resited from obsolete accommodation. There are also new enterprises to be encouraged. There is also the programme of expansion and extension for firms that have become established on site.

The Corporation sets aside land specifically for expansion, and encourages smaller industries by building "nursery" factories from which they can move as *their business prospers* and expands. They calculate that each enterprise taking up one of the Corporation's advance factories may need a threefold expansion as time goes on.

The effects of the industrial activity generated by the Corporation are cumulative. Not only is local unemployment relieved; other industry in the locality is revitalised, service industries develop, and commerce picks up. Th[...] vided by the wo[...] Corporation are thu[...] in other fields, givin[...] boost just at the tim[...] most needed.

It might be argu[...] Corporation's work [...] intrusion into the pr[...] The simple answer [...] that they build and [...] areas the private developer chooses n[...] As yet, the influe[...] Corporation has slow[...] across country from [...] East, and regional [...] cannot be said to [...] redressed.

However, encour[...] industrial develop[...] renewal has played [...] narrowing the gap. [...] programme the Co[...] now engaged up[...] narrow that gap stil[...]

Rog[...]

Controversy in Wales

REGIONAL DEVELOPMENT achievements in Wales are at the heart of a mounting controversy, with the latest onslaught coming from Plaid Cymru which says that millions of pounds have been wasted. This attack from the nationalist party follows criticism from the Wales TUC about the effectiveness of regional policy. Even a Welsh Office commissioned study by two Cambridge economists warned that unless *aid is strengthened it could* take 30 years to solve the unemployment problems of the region. There is also concern that the lack of an up-to-date regional plan is causing wasteful competition between local *authorities trying to attract new* industry.

The most savage attack comes *from Plaid Cymru, which claims* that Government forecasts that about 66,000 additional jobs would arrive from schemes approved between 1965 and 1970 are wrong, and the true figure is about 28,000 jobs. A Plaid study shows *this startling* difference by taking into account three factors: only just *over half the factories promised* actually materialised: industrialists were over-enthusiastic about job creation estimates; and some of the new plants have since closed. They also accuse some firms of exploiting the system by coming to Wales to get grants but with little intention of staying.

Plaid Cymru says one lesson is clear. Only in areas served by reasonably good roads, railways and with a wide range of industrial services has the development policy been a partial success. "Of the 12 firms that came to the Special Development Area at the north of the South Wales Valleys, *six have already closed and one* is being phased out—a bad omen for the men who will soon be redundant in Ebbw Vale," they state. The party says that too much of the regional development budget is being spent on cash incentives and not enough on improving the basic infrastructure.

Severe

The Wales TUC has also attacked regional policies in a document submitted to the *Prime Minister.* "*Even without* the recession the structural problems of the Welsh economy remain severe and challenging. Our apparent inability, in the post-war period, to tackle these problems effectively has led to the persistent inefficiency and under-achievement of the Welsh economy. Consequently, living standards in many parts of Wales have fallen considerably *below those experienced else*where in the U.K.," said the report.

The crux of the problem is the narrow industrial base of Wales, caused by a failure to achieve sufficient diversification from dependence on steel and coal. The Wales TUC wants regional policy strengthened, and *suggests that the Regional* Employment Premium should be paid on a sliding scale. Firms would receive more REP depending on the number of stable net additions to their workforce, measured from a given base date. Another method of boosting development would be to set up a fund with companies contributing a fixed proportion of pre-tax earnings. Favoured treatment would be given to industries drawing on this fund for investment in the regions.

Barry Moore and John Rhodes *of the University of Cambridge* Department of Applied Economics say in a study that between 1960 and 1973 about 70,000 to 80,000 new jobs were created in Wales. "In relation to its size regional policy has created more jobs in Wales than

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Scotland and N. East

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Government's fifth round of licensing later this year.

Similarly the Department of Energy's Offshore Supplies Office reckons that U.K. industry must be nearing the peak of its share of the North Sea goods and services market. Its 1974 estimates showed that British industry had taken about 40 per cent. of a £1.3bn. market, or 35 per cent. of those sectors where there was a British capability.

One of the sharpest anxieties, however, concerns the state of the production platform market. *No orders for major platforms* have been placed since December 1974 and there has been a cut of approximately a third in the Government's own estimates of the number of platforms likely to be needed by the end of 1980.

On the other hand, oil and gasfield developments are now reaching a point at which there is intensified interest in the provision of onshore processing facilities. In the Grampian region a Scandinavian group, Scanitor, has recently been given permission to build a £50m. ammonia plant at Peterhead. It will convert natural gas delivered from Total's Frigg field. Similarly, Cromarty Petroleum, a subsidiary of the American shipping group National Bulk Carriers, has been given sanction to proceed with a £150m. oil refinery on the Cromarty Firth, at Nigg.

Stimulant

In the North-East of England the offshore oil industry has also been a valuable stimulant. It is estimated that some 7,000 are employed directly in work for that market, with a further 5,000 indirectly dependent on *oil-related activity.* As in Scotland, it is anticipated that employment will probably stabilise at about its current level until around 1980.

The oil industry is regarded locally as an important but scarcely dominant new factor—in employment terms it compares, for example, with the average of 8-9,000 new jobs estimated to be created each year in such industries as light engineering, consumer products and services, which are being encouraged to replace the region's declining heavy and primary industries.

The North-East too has wit*nessed a marked shift of em*ployment from old to new growth sectors, but continues to suffer a net loss of jobs. Since 1960 employment in the heavy industries like coal mining, steel manufacture, shipbuilding and marine engineering, has declined from 280,000 to 140,000 while employment in electronics, instrument and electrical goods, as well as in services, has grown from 349,000 to 482,000.

Chris Baur
Scottish Correspondent

The debate over devolution

SOME OF the heat has gone—no doubt temporarily—from the devolution debate while Ministers decide what changes they can afford to make to their initial proposals, which succeeded in pleasing virtually no one. In the meantime, the Government has taken two practical steps which, while hardly noticed outside Scotland and Wales, have been represented as going some way towards providing a modest measure of devolution in economic and industrial matters.

The first move—making the Scottish and Welsh Offices responsible for the administration of selective regional assistance to industry and for such matters as Government factory building—is probably more a change of form than of real substance. The other innovation—the establishment of separate Development Agencies for Scotland and Wales at the beginning of this year—could potentially be far more interesting.

The new agencies might be described as something of a cross between scaled-down versions of the National Enterprise Board and the kind of regional development agencies that are to be found in France and elsewhere. In their NEB role they will function as investment banks providing finance for local industry and participating, either directly or in participation with other interests, in what are called "employment-creating commercial ventures." They are expected to deal primarily with Scottish or Welsh companies, leaving the NEB to deal with companies operating on a U.K. scale—though the latter is obliged to liaise with the Development Agencies whenever Scottish or Welsh activities are involved.

Recovery

In their other capacity the new agencies have been given certain responsibilities which are designed to help lay the groundwork for industrial recovery in decaying areas. They have been given overall responsibility for local authority derelict land clearance programmes. They are expected to initiate other major environmental improvement schemes in partnership with local authorities. And they have been put in charge of Government advance factories, which were formerly the responsibility of the Scottish and Welsh Industrial Estates Corporations.

Both roles represent a marked departure from the traditional approach to regional development policy. It is true that the Highlands and Islands Development Board, which succeeded in raising the level of economic activity in that part of Scotland even before the advent of North Sea oil, was a kind of forerunner. To that extent the new agencies are not altogether a new idea. But more or less ever since the U.K. Government began to concern itself with regional development problems—which is now almost 50 years ago—the tendency has been to rely on the "carrots and stick" approach by offering financial inducements to companies to locate their expansion in certain preferred areas and by denying permission for growth in the more affluent or congested areas rather than to make use of a para-governmental agency with its own powers of initiative. Whether regional policy has focused on a certain number of "growth zones" or whether the largesse has been spread rather more thinly over much greater reaches—as now—the authorities have on the whole tended to prefer to work indirectly, even passively, rather than to adopt a more direct, active role in the process of industrial regeneration.

Experimenting

Whether this more activist approach will prove successful is hard to say. On any pragmatic view there is certainly a case for experimenting with new ideas. The trouble is that this latest initiative, like most other developments in regional policy, has been somewhat oversold. Indeed, because of the political and economic climate in which the new agencies have been launched, especially in Scotland, their inception could hardly have come at a worse time.

Expectations have been raised, in the first place, because of the present state of the economy. Unemployment is high, especially in Clydeside and Western Scotland where the regenerative benefit of North Sea oil activity has hardly penetrated. Yet, because of the recession and the continuing uncertainty about future trends, industry does not have a particularly bullish attitude towards spending on modernisation and new capacity. The two agencies have an initial five-year budget of £200m. (Scotland) and £100m. (Wales) with more on call. A good deal of these dowries are already bespoken for by the factory-building and derelict land programmes, and both agencies are hoping to avoid sinking their funds into a few glamour projects and certainly to eschew becoming involved in baling out lame ducks.

Yet they will face heavy pressure for short-term palliatives. Clearing away coal tips and cleaning up industrial blight does not make an immediate impact on the unemployment figures, and job creation of the kind the Development Agencies have in their remit is essentially a long-term commitment. It is true that the gap between Scotland and Wales on the one hand and England on the other hand has become narrower in recent years both in terms of unemployment rates and in terms of industrial earnings. The comparison may have been tilted in recent years by the advent of oil off eastern Scotland and by the emergence of problems in the English Midlands. But regional policies have also contributed to the improvement; one much quoted academic study has suggested that regional policies generated an additional 70,000 to 80,000 jobs in both Scotland and Wales in the period between 1960 and 1971-72.

The trouble is that while the gap has been narrowed it has not been closed. And, because economic frustration, especially in Scotland, has been broadened out into frustration with the remoteness of Governmental decision-taking at large and the whole political issue of devolution, the creation of the new Development Agencies has tended to be presented as one immediate way of spiking the Nationalists' guns, a role in which they have no chance at all of succeeding.

Up to a point the political overselling of the new agencies, particularly in Scotland, may be understandable. So long as federalism and separatism are rejected as ways of meeting political, nationalist and cultural aspirations of the Scots and Welsh, there is bound to be a very early limit to the degree of governmental devolution which can be granted in economic and industrial policy.

Central responsibility for demand management is in direct conflict with the concept of local autonomy in this area just as much as in the financing of local government. In the case of Scottish and Welsh devolution there is, additionally, the need to retain a single framework of commercial and industrial law and fiscal policy for the U.K. as a whole and for the centre to balance up the rival claims for preferential public expenditure in the disadvantaged parts of the kingdom.

The trouble is that, if economic, industrial and fiscal policy are excluded from the area of devolvable matters, much of what is left is already devolved to one or other tier of local government, which has recently been re-formed into fewer, larger, and stronger units. To this fundamental difficulty, the Government has added others of its own—such as by insisting on retaining a veto over the new assemblies rather than leaving any question of ultra vires activities to be decided by the courts, by limiting the range of devolvable matters even further than is strictly necessary (for example, universities and police), and by confining the scope for locally-raised tax revenues to a surcharge on the rates.

Legislation

How Ministers will choose to try to extract themselves from the present difficulties remains to be seen. They have undertaken to produce a final version of their proposals with a view to legislation in the 1976-77 Parliamentary session. What is certain is that, having got this far, there can be no question of turning back to where we were in the 1960s before the Kilbrandon Commission was appointed.

It is also clear that the fledgling Scottish and Welsh Development Agencies are caught right in the middle of this wider political tussle. The present proposal is that once the new assemblies have been set up the agencies' environmental activities will be financed by grants provided by the assemblies while their investment bank and factory building activities will be financed by the central exchequer, albeit through the medium of the Scottish and Welsh Offices. This prospect of permanently divided loyalties could doom the agencies before they have really started.

Colin Jones

Wales

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in any other assisted area," adds the report, which was commissioned by the Welsh Office. But the achievements fall far short of solving the imbalance in the Welsh labour market—it would have needed between 200,000 and 250,000 new jobs to achieve this goal.

Local authorities in Wales are becoming increasingly concerned that the last major blueprint for development within the region, "Wales: The Way Ahead" published in 1967, is now out of date. South Glamorgan County Council said recently, "The County Council thinks that if regional policy guidelines were more explicit progress could be made towards solving problems without conflicting with the needs of other parts of the region without wasteful competition between neighbouring authorities."

Against this background of growing debate, the Welsh Development Agency, the latest Government aid to regional expansion with a budget of £100m., came into operation this year. The WDA is now deciding how to allocate funds for its functions, which include industrial investment, but it could be late summer before this plan is ready. The Agency is carrying on the largest-ever expansion of advance factory building in Wales, a £3.25m. programme which it took over from the Welsh Industrial Estates Corporation. Great emphasis is being placed on having factories ready for an economic boom—opportunities were lost in 1973 because space was not available. Although there are currently only six factories standing waiting for industrialists, another 35 are under construction and a further 53 have been given the go ahead.

Advance

They range from 1,360 square feet nursery units to 50,050 square feet factories. Efforts are being concentrated on potential unemployment blackspots, like Ebbw Vale, where the ending of steelmaking will cut job opportunities by more than 4,000 in less than five years. Nine advance factories are being built and two more are planned for North Gwent. Since the beginning of 1976 advance factories space totalling 100,000 square feet has been allocated to six companies throughout Wales. It is estimated that 700 jobs will arise from these industries in about three years.

Although the economic climate has curtailed investment, there are still major schemes under way in Wales. GKN is building a £51m. mini-steelworks and rod mill, in Cardiff, Duport is spending £20m. on modernising steelmaking at Llanelli and a multi-million pound steelworks is being built by a Greek-backed company at Newport. But latest figures show that in the second quarter of 1975 Wales only received 6.4 per cent. of the total U.K. £844m. capital spending by manufacturing industry.

Applications for aid under the Industry Act in Wales, which are now handled by the Industry Department of the Welsh Office, have slumped to fewer than 130 in the financial year just ended. In the previous year there were 195 applications. But the total offered in the form of loans, interest relief grants and removal grants has been about £11.5m., compared with £10.6m. in the year ending March, 1975.

Cash from the EEC has been an important help to Wales' struggle to cope with the national lack of investment and restrictions on local government spending. Since Britain joined the Common Market Wales has received more than £135m. in loans and some £13m. in grants. The links between Wales and Brussels were strengthened last month (March) with the EEC opening its own office in Cardiff, where Mr. Gwyn Morgan, former Chef de Cabinet to Regional Commissioner, Mr. George Thomson, is based.

Wales reaped the lion's share of the British part of the first allocation last autumn from the EEC Regional Development Fund, with £2.5m. going towards the advance factory programme. Another £3.7m., mainly for local authority infrastructure schemes, followed in December. There have also been loans at favourable interest rates—including £20m. towards GKN's Cardiff mini-steelworks, more than £40m. for a number of British Steel Corporation modernisations, over £20m. to the National Coal Board for expansion projects, and a £17.5m. European Investment Bank loan for extending the telecommunications network in Wales and the surrounding area.

The cautious optimism that is creeping back into the U.K. economy is also reflected in Wales, but the region where more than 16,000 people have been declared redundant in a year is expected to take longer to recover than many parts of the country.

Garrod Whatley
Western Mail

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Firm despite teamsters strike threat

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 31.

A FIRM TREND prevailed on Wall Street to-day, despite the possibility of a strike at midnight by the 450,000-member Teamsters Union.

By mid-day the Dow Jones Industrial Average was up 1.42 at 993.55 and the NYSE All Common Index regained 11 cents to $54.54, while advancing issues topped declines by a six-to-five margin. Trading volume, however, decreased 550,000 shares to 7.13m. compared with noon yesterday.

Closing prices and market reports were not available for this edition.

A walkout by the Truckers would halt the transport of roughly 60 per cent. of the manufactured goods in the U.S.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Gulf Western Ind.	735,200	25	−⅛
Sony	422,400	9	−⅛
Xerox	321,540	56½	−2½
Reserve Oil	193,600	12½	−⅜
Kresge S.S.	184,300	36⅜	−1⅞
Southern Co.	182,800	14½	—
Anaconda	160,800	28	—
Pan. Amer. Air.	137,900	6½	−⅛
Texaco	130,900	26⅞	−⅜
Northwest Air.	134,700	29⅜	−⅞

Analysts also were keeping a close watch on the tense situation in Lebanon, where President Suleiman Franjieh has been resisting some efforts to remove him from power.

The one item helping the Stock Market move higher is continued evidence that the American economy is making a solid recovery from the deep recession of a year ago.

Yesterday, the Commerce Department reported a 4.2 per cent. rise in new order for Durable Goods in February.

The slow trading this week indicated many investors were holding on to profits made during the first quarter and analysing prospects for the second three months of the year.

Certain issues were buoyed by bullish Corporate news.

Eastman Kodak rose $⅞ to $116½ after introducing some new copier products.

Singer, among the volume leaders, picked up $1 to $19½.

General Motors firmed $⅜ to $69⅞, but Xerox fell $1 to $55½.

Corning Glass gained $1⅛ to $69⅞ and Caterpillar Tractor improved $1 to $82½.

IBM were up $1⅞ to $261⅞, and Du Pont were firm, but Sperry Rand eased.

The American SE Market Value Index picked up 0.11 to 104.06, while the turnover expanded 330,000 shares to 1.27m. compared with mid-day yesterday.

Nolex rose $1⅛ to $12—*it said no* commercial agreements have been set for its Flip-N-Sip machine and as a result no revenues from the product are expected during fiscal 1976. The statement followed its report yesterday that preliminary results of a field test of the Flip-N-Sip milk carton indicated "strong acceptance."

Risdon Manufacturing advanced $1⅞ to $19½.

OTHER MARKETS

Canada rallies

Canadian Stock Markets rallied in moderate trading yesterday morning.

The *Industrial Share Index* put on 0.24 to 189.09, Golds 0.43 to 283.73, Base Metals 0.20 to 89.73, Western Oils 1.24 to 215.59, Utilities 0.14 to 135.80 and Papers 0.57 to 125.85. But Banks lost 0.95 to 236.23.

United Canso firmed $⅛ at $7½—it signed a preliminary joint venture pact with Valmex Petroleum, Pancoastal and a Valmex shareholder.

Transcanada Pipelines gained $⅜ to $12⅛ on a raised quarterly dividend.

Maritime Electric were lifted $1⅛ to $8½, following higher year-end earnings.

Among Papers, Domtar added $⅛ at $25½.

Bank of Nova Scotia lost $⅜ to $38½.

Pan Ocean Oil advanced $1½ to $14⅞ prior to being halted for an announcement. The company has been subject of takeover rumours.

PARIS—Mostly steady in featureless trading.

Declines outnumbered gains in Banks, Engineerings, Stores and Metals, but Motors, Electricals, Chemicals and other Financials were generally *firmer*.

Constructions, Rubbers, and Oils were mixed.

PUK *rose slightly, despite its* lower dividend.

U.S. shares gained ground, *Germans* were mixed, Dutch stocks steady, while International Oils were easier, Golds were steady but Coppers fell.

BRUSSELS—Mixed in quiet trading.

Sofina, Ebes, Electrafina, Electrobel and FN each ended higher. But Gevaert and Tessenderlo were each sharply lower, while Sidro, Acec, Tabacofina and Cockerill each eased.

U.S. values were mainly easier, U.K. and West German lower, but Dutch and French issues were firm. Gold Mines were little changed.

AMSTERDAM — Shares generally rose in calm conditions *on domestic and foreign demand.*

Dutch Internationals improved, with the exception of Hoogovens *which held* unchanged.

Insurances were mixed but Plantations eased.

Bijenkorf were lower after forecasting a difficult year.

Giessen moved up apparently *in response* to its dividend payment despite its net loss.

Slavenburg also were firm on *its favourable forecast for the* current year.

State Loans firmed slightly in *active trading.*

GERMANY—Generally lower in thin and featureless trading.

International shares, led by Siemens, fell a maximum of DM3. Engineerings and Banks were *mixed.* Commerzbank put on DM0.6 after announcing higher 1975 net profits.

Steels and Utilities lost up to DM1.50.

The Bond Market was very quiet, *with Public Loans barely* maintained to mixed.

SWITZERLAND — Markets edged lower in slow trading.

Swissair Bearer were depressed on sustained selling.

Banks were little changed, while leading Industrials generally eased. Roco fell after reporting a slightly lower profit for 1975 and an unchanged dividend.

State Bonds eased.

Dollar stocks were narrowly mixed, Dutch issues steady, while German shares eased.

VIENNA—Quiet.

MILAN—Mixed to higher in *quiet trading.*

Bonds were steady.

OSLO—Banks were barely *steady, Insurances little changed,* while Industrials and Shippings were mixed.

COPENHAGEN—Lower in fair dealings.

HONG KONG — Higher in moderate trading.

Hong Kong Bank moved up 10 cents to $HK21.60, China Light 80 cents to $HK25.50, Hong Kong Kowloon Wharf 10 cents to $HK17.80, Hong Kong Dock 30 *cents to $HK10.70, and Kowloon* Motor Bus 20 cents to $HK6.35.

Hong Kong Telephones jumped *$HK1.10 to $HK25.90.*

TOKYO — Prices rallied, with buying interest revived in Electric Appliances and Export-Orientated issues. Volume 140m. (130m.) shares.

But some Light Electricals remained weak on the U.S. announcement of a probe of Japanese TV set imports.

Department Stores moved up, as did Textiles, Machineries, Constructions, Oils, Chemicals and Leisure shares, Foods, Drugs and Motors.

Toshiba shed Y2 to 130—it is one of the firms being investigated in the U.S. color TV set probe. Sharp, also cited in the probe, edged down Y3 to 360, but Hitachi added Y1 at 202 and Sanyo also added Y1 at 232.

AUSTRALIA—Prices retreated across a broad front in dull conditions.

Among Mines, Pancontinental fell $A1.50 to 10.10, Queensland Mines 23 cents to 2.44 and Kathleen 10 cents to 1.45.

Utah shed 8 cents to 2.90 on report that current coal price talks in Japan were deadlocked.

Oils were generally dull, Banks and Brewers lost ground, as did some Financiers.

Retailers finished above the worst.

Indices

NEW YORK—DOW JONES

	Mar. 30	Mar. 29	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	992.13	987.40	1003.46	1002.13	1009.21	985.43	1,009.21 (24/3)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.84	72.87	72.56	72.56	72.49	72.57	72.67 (29/3)	68.11 (2/1)	—	—
Transport	207.54	206.87	208.92	209.39	209.78	208.24	211.81 (11/3)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.14	87.46	87.30	87.39	87.20	87.14	91.90 (4/2)	84.64 (2/1)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol. 000's	17,880	16,160	16,610	22,510	42,510	22,460	—	—	—	—

	Mar. 26	Mar. 19	Mar. 12	Year ago (approx.)
Ind. div. yield %	3.69	3.76	3.74	5.01

STANDARD AND POORS

	Mar. 30	Mar. 29	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	114.80	115.27	115.82	115.85	116.57	116.16	116.57 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.01	102.41	102.85	102.85	102.42	102.24	103.42 (24/3)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Mar. 24	Mar. 17	Mar. 10	Year ago (approx.)
Ind. div. yield %	3.25	3.65	3.34	4.03
Ind. P/E Ratio	14.04	15.66	13.94	9.60
Long Govt. Bond yield	5.67	5.78	5.80	6.06

N.Y. S.E. ALL COMMON

Mar. 30	Mar. 29	Mar. 26	Mar. 25	1976 High	1976 Low
54.43	54.94	54.27	54.94	55.16 (24/3/76)	37.86 (2/1/75)

Rises and Falls Mar. 30.

Issues Traded—1,885	Up—492	Down—924	Same—449
New Highs— 54	New Lows— 9		

MONTREAL	Mar. 30	Mar. 29	Mar. 26	Mar. 25	1976 High		1976 Low	
Industrial	201.16	203.08	204.42	205.16	206.57	(25/3)	178.02	(2/1)
Combined	192.81	193.15	193.29	194.09	198.97	(24/2)	175.67	(2/1)
TORONTO Industrial	188.85	189.85	189.55	191.02	197.48	(20/2)	175.81	(2/1)
JOHANNESBURG Gold	182.9	—	210.4	211.2	228.7	(12/3)	182.3	(30/3)
Industrials	199.7	—	202.0	202.2	212.8	(2/1)	199.2	(4/3)

	Mar. 31	Pre-vious	1976 High	1976 Low
Australia (a)	464.46	469.90	472.91 (12/3)	445.32 (6/1)
Belgium (b)	107.20	107.16	113.12 (5/2)	104.34 (6/1)
Denmark (d)	102.39	105.46	107.79 (27/1)	100.20 (10/3)
France (e)	70.4	70.3	74.4 (3/3)	[illegible] (29/1)
Germany (f)	809.1	815.1	821.7 (17/3)	766.6 (29/1)
Holland (g)	100.4	99.8	105.3 (5/3)	93.8 (19/1)
Hongkong (h)	465.76	451.39	466.43 (17/3)	364.63 (2/1)
Italy (i)	80.39	80.08	91.37 (23/2)	79.76 (19/3)
Japan (m)	340.55	337.64	344.51 (24/3)	306.28 (6/1)
Singapore (n)	256.54	258.49	286.18 (3/3)	236.35 (2/1)

	Mar. 31	Pre-vious	1976 High	1976 Low
Spain (p)	94.60	95.96	99.60 (2/1)	84.60 (31/3)
Sweden (q)	423.74	423.72	428.27 (23/3)	393.36 (19/1)
Switzerl'd (r)	289.3	290.0	298.6 (12/3)	286.6 (8/1)

Indices and base dates (all base values 100 except NYSE All Common—50; and Standard and Poors 10; (a) Sydney All Ord (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 400 Inds., 40 Utilities and 20 Rails.

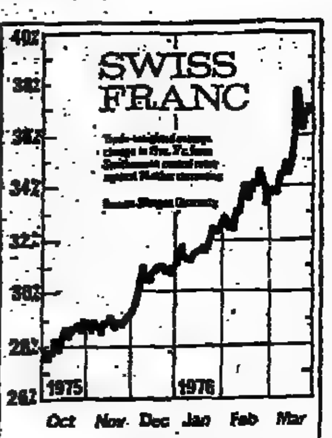
Pound steady

Sterling tended to move in line with the U.S. dollar in the foreign exchange market yesterday, with both currencies losing ground to the continued strength of the West German D-mark and Swiss franc in early dealings, but improving later. The dollar fell to DM2.5340 in terms of the D-mark during the morning, but improved at the close to DM2.5422, while *the pound fell to a new low of* DM4.8575 against the German unit, in early dealings, but was firmer at DM4.8725 at the close. Sterling's trade-weighted average depreciation since December 1971, as calculated by the Bank of England, was unchanged at 34.1 per cent., and remained at that level throughout.

The pound opened at $1.9160-1.9170 against the dollar and traded within a very narrow range of $1.9145-1.9175, before closing at $1.9155-1.9165, unchanged on the day.

The dollar's trade-weighted average depreciation since December 1971, as calculated by Morgan Guaranty of New York on noon rates, was also unchanged at 2.17 per cent.

The market was a little unsettled by rumours surrounding to-day's EEC summit meeting in *Luxembourg, and suggestions* that France will propose changes to the European currency snake, which may lead to a significant upward adjustment in the value of the D-mark if currencies such as sterling, the lira and the French franc were to become members. The reports were denied by French officials however.



Gold gained $½ to $129-130. The kruggerrand finished at $132½-134½ (£69-70) for domestic delivery. Its premium over the gold content narrowed to 2.89 per cent. in the domestic market, but widened to 3.47 per cent. in international dealings.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Mar. 30	Mar. 29
Sterling	0.603291	0.602469
U.S. dollar	1.15494	1.15427
Belgian franc	45.1235	45.0714
Deutsche mark	2.94279	2.94108
French franc	5.40656	5.42334
Italian lira	975.902	986.757
Japanese yen	346.193	346.677
Dutch guilder	3.11141	3.10903
Swedish krona	5.09[illegible]	5.08802
Swiss franc	2.94594	2.94105

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Mar. 31	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.539-540	54.24-34	6.492-502	4.86-87	94.36-44	99.96-05
N. York *	39.44-46	—	21.41-45	2.5645-75	1.9160-9170	37.19-22	39.40-42
Paris	185.325-325	4.664-674	—	11.942-9885	8.935-960	173.775-175	184.05-46
Brussels	15.37-40	39.05-08	8.35-37	—	74.75-88	14.53-56	15.37-41
London	4.862-872	1.9155-65	8.96-97	74.75-95	—	5.142-152	4.884-874
Am'erd'm	106.91-98	2.5852-77	57.55-60	6.8805-55	5.1485-55	—	105.925-975
Zurich	99.94-04	2.5895-5405	54.35-51	6.495-505	4.8845-90	94.51-61	—

U.S. $ in Montreal. U.S. $=98.40-42 Canadian cents. Canadian $ in New York. $C=101.57-59 U.S. cents. U.S. $ in Milan 840.00-842.00. Sterling in Milan 1608.75-1615.75. *Rates for March 30.

EURO-CURRENCY INTEREST RATES*

Mar. 31 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8-8¼	4⅝-5⅛	8¼-8¾	5-5¼	3¼-3½	1¼-1½
7 days' notice	8⅝-8⅞	4⅝-5⅛	9-10	5-5¼	3¼-3½	5⅝-7⅝
Month	8⅝-10⅛	4⅞-5⅛	8⅝-8⅞	2½-2¾	3¼-3½	1¼-1⅝
Three months	9¾-10¼	5⅜-5⅝	10-10¼	5-5¼	3¼-3⅝	1¼-1⅞
Six months	10¼-10¾	6-6⅛	10¼-10½	5⅝-6	3¾-3⅞	2¼-2⅝
One year	10⅞-11¼	6⅞-7¼	10¼-10½	4⅝-5	4⅛-4⅜	3⅜-3⅝

Euro-French deposit rate two-day 9½-10 per cent.; seven-day 9½-10 per cent.; one month 10½-11 per cent.; three months 11½-11⅞ per cent.; six months 11½-11⅞ per cent.; one year 10½-11 per cent.

Longer-term Eurodollar deposits: two years 7½-7¾ per cent.; three years 8½-8⅝ per cent.; four years 8½-8⅝ per cent.; five years 8½-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 4[illegible] per cent.; three months 5[illegible] per cent.; six months 5⅞-6 per cent.; one year 6⅝-6⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

GOLD MARKET

[illegible]

FOREIGN EXCHANGE

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 — 105¼% (105½%)

NEW YORK

Stock	Mar. 30	Mar. 29
Addressograph	9⅜	9⅝
Aetna Life & Cas.	27⅞	27⅞
Air Products	78¼	79
Corning Glass	68⅞	68
CPC Int'national	45⅜	43⅝
Crane	66	66¼
Crocker Nat.	25⅜	25¼
Crown Zellerbach	46¼	46⅜
Johns Manville	31⅜	31⅞
Johnson Johnson	89⅞	89⅜
Johnson Control	23⅝	23⅜
Joy Manufactur'g	40	41
Reading	2	2
Republic Steel	34¼	34⅞
Revlon	74⅝	74¾
Reynolds Metals	38⅞	39⅛
Zenith Radio	37	37⅛
Chile 3% 1993	87⅛	87⅛
Peru 3% 1993	95	95
U.S.Treas.4½%1980	†100	†100

[illegible]

CANADA

[illegible]

GERMANY ◆

Mar. 31	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	99.8	−0.7	—	—
Allianz Versich.	489	+3	d17	2.0
B.M.W.	264	−2.5	14	2.6
BASF	169.8	−2.5	17	—
Bayer	147.9	−1	17	5.4
Bayer Hypo.	[illegible]	−0.5	20	3.2
Bayer Vereinsbk.	314	−1	20	2.7
Commerzbank	204.1	+0.6	16	4.4
Contl. Gummi	111.5	—	—	—
Daimler	369	−0.5	16	2.0
Degussa	269.5	—	16	3.3
Demag	166	+0.5	—	—
Deutsche Bank	323.2	−1.5	18	2.1
Dresdner Bank	240.5	—	18	3.7

[illegible]

MILAN

Mar. 31	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	505	—	—	—
ANIC	705	−10	60	—
Assicur. Fin.	4,130	+130	120	3.1
Bastogi	1,063	−6	70	6.4
Breda	1,810	−90	165	9.2

[illegible]

AUSTRALIA

Mar. 31	Aust. $	+ or −
Acrow Australia	10.79	−0.01
Adelaide Brighton Cem 50c	†1.15	—
Allied Mnfg Trdg Inds $1	2.0	—
Ampol Exploration	†0.90	—
Ampol Petroleum	†0.58	−0.02

[illegible]

JOHANNESBURG

MINES

March 31

Anglo American Corpn.
Charter Consolidated
East Driefontein
Elsburg
Harmony
Kinross

[illegible]

INDUSTRIALS

[illegible]

PARIS

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

TOKYO ¶

[illegible]

SWITZERLAND ◆

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

STOCKHOLM

[illegible]

VIENNA

[illegible]

OSLO ◆

[illegible]

SPAIN ▼

[illegible]

NOTES: Overseas prices [illegible]

هكذا أصل الأصل

...MING AND RAW MATERIALS

...on tied ...tages Easter

...Commodities Staff

...ERNMENT hopes to ...e Bill on the abolition ...tied cottages before ... Gavin Strang, Parlia...ecretary to the Minis...griculture, told farm...f Chesterfield yester...

...to assure you that the ...nt will fulfil its pledge ...ice legislation to end ...res-old injustice of the ...d tied cottage. We ...ublish the Bill before ...to complete its Parlia... passage during the ...be said.

...determined that this ...ould encourage rather ...er agricultural expan... recognise that where ...a need both for an ...ol for a farm worker ...amily and for on-the-...mmodation for an in...orker, this is likely to ...et by putting a formal ...lity on the local ...to provide suitable ...e accommodation."

...ing test ...wheat ...eliable'

...Commodities Editor

...OPOSED EEC baking ...identifying poor bread-wheats is unreliable, ...to the annual report ...Flour Milling and ...Baking Association. ...baking tests were also ...but none proved to be

...ed Peart, Minister of ...ire, admitted at the ...on's annual luncheon in ...yesterday that the main ...with the planned two-...tem for wheat to be ...ed in the 1976-77 season ...leciding how to classify ...n sample of wheat. ...baking test introduced ...imply determine essen...inum qualities in wheat ...for intervention, and ...d not need to be any ...in tests used in buying.

...theless he claimed it ...ortant to recognise feed ...is a separate product ...ead wheat, and worthy ...rt in its own right as a ...n.

...was why it was decided ...Brussels negotiations on ...ices to introduce two ...of intervention next ...o that both quality and ...ielding wheats would ...place in the Community ...system.

Strong rally in London metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL PRICES rallied strongly on the London Metal Exchange yesterday, although dealers were somewhat at a loss to explain the sudden burst of trading activity.

Copper cash wirebars closed £10.5 up at £711 and moved further ahead in late dealings with three months wirebars trading at £738. Cash zinc closed £8.5 up at £391 a tonne and cash lead £7.5 at £207 a tonne. Tin and silver prices also advanced.

In the copper market the main interest came from speculators, both buying and selling in active trading conditions.

The upward tone was set by a sharp rise in the New York copper market overnight, which was influenced by political developments in the Middle East.

As a result London values opened substantially higher before being cut back by profit-taking sales, and later the failure of the New York market to maintain the upward trend.

The impression was that the market may have become rather oversold recently bearing in mind the firm undertone. While further ownward corrections are inevitable, it is felt that any significant decline will quickly attract fresh buying interest.

Lead and zinc both followed the trend in copper, and were also influenced by rumours of U.S. producer price increases. Reports of a U.S. price rise being imminent have been circulating in London for some time, although some quarters feel demand is still not strong enough to sustain an increase.

Equally the U.S. lead producer price was increased only a few weeks ago and it seems somewhat doubtful whether another rise would be introduced so quickly, particularly as the last increase of 2 cents to 21 cents per pound was rather more than expected.

Tin prices were held back by the fall in the Penang market overnight, and the relexation of the Tin Council export quotas for the second quarter starting to-day.

It is expected that the extra tin available may well mean greater offerings on the Penang market resulting in a lower price unless demand increases too.

Meanwhile Kaizer Aluminium confirmed last night that it is increasing its international price of primary aluminium ingot by 4 cents to 43 cents per pound effective to-day.

This follows the increase to 43 cents announced by Alcan of Canada on Tuesday night, and appears to herald a general upturn in aluminium prices.

EEC sugar options taken up

BY RICHARD MOONEY

WORLD SUGAR prices on the London terminal market recovered some ground yesterday following Tuesday's sharp fall. The August position gained £1.75 to £176.1 a tonne following a £2 reduction in the London daily price to £176 in the morning.

Most market interest was meanwhile centred on developments during the final declaration day for options granted under the EEC's Imex (import/export) scheme.

This scheme was devised during the 1974 sugar supply crisis as a means of securing imports and at the same time reducing subsidy costs.

Importers were given reduced subsidies and compensated by the granting of options giving them the right to export sugar from this year's EEC crop at the EEC price level ruling then.

This arrangement is advantageous to dealers only if the world price is above the EEC price level ruling at the time they entered into the original transaction.

For this reason trade sources were confident that options on at least 210,000 tonnes would be taken up—this figure representing the "first tranche" of 1974 imports for which options were granted at below the current world price.

The position regarding the remaining 264,000 tonnes of 1974 imports was less clear since the option prices were above current market levels.

The situation was further complicated by uncertainty as to whether a fixed penalty of 25 or two units of account per tonne would be enforced on options which were declared but against which delivery was not taken up within six months.

The EEC has now advised that some Imex options will carry a fixed penalty of 25 units of account, but that others will carry a flat rate of two units of account plus any fall in world market prices between yesterday and September 30.

Option holders against imports at the higher prices (those not already showing a profit) were therefore left with a choice of either letting them lapse or taking them up on the calculated risk that world sugar prices would rise sufficiently between now and the end of September to show a profit.

Market sources estimate that about 280,000 tonnes of options have in fact been taken up — if correct an indication that a significant number of dealers expect a rise in sugar prices.

● The strong rise in coffee prices continued unabated yesterday. On the London terminal market the May position climbed another £19 to a record level of £977.5 a tonne.

Trade courses said a firming influence was a report that Brazil had purchased 500,000 bags (60 kilos each) of Angolan coffee. U.S. roaster price increases were another "bullish" factor.

June date for wool price

MELBOURNE, March 31.

THE AUSTRALIAN Government will not decide on the 1976-77 wool floor price until June, the end of the season.

Mr. Ian Sinclair, Primary Industry Minister, made this clear to the Australian Wool Industry Conference, said Mr. Don Von Bibra, conference chairman.

Mr. Von Bibra said that the Conference's executive committee and Mr. Alf Maiden, Australian Wool Corporation Chairman, met Mr. Sinclair in Canberra earlier this week.

The Committee agreed that after the Corporation had considered the 1976-77 floor price, the Conference's wool industry policy committee would meet in May to decide on the recommendations it would put to Mr. Sinclair.

The 1975-76 floor price is 250 cents a kilo clean for 21 micron wool.

Reuter

Skim milk powder cost fixed

By Peter Bullen

U.K. FEED compounders will have to pay just under £305 a tonne for skimmed milk powder bought from EEC intervention stocks under the Common Market's scheme to reduce its 1.2m. tonne surplus powder "mountain."

The trade was busy yesterday trying to assimilate the details on price and subsidy levels announced by the EEC Commission's management committee in Brussels, but the first reaction was that the price was in line with earlier forecasts.

The National Farmers' Union reiterated its criticism of the "inequitable" scheme under which feed compounders are forced to use a certain quantity of milk powder in their animal feeds or else forfeit the deposits they are now having to pay on other protein feed ingredients.

Mr. Noel Hill, president of the Compound Animal Feeding-stuffs Manufacturers' National Association, appealed at the association's biennial dinner in London last night for all those with the interests of livestock producers at heart to oppose the milk powder scheme, particularly as there were fears it could become a permanent feature of EEC policy.

Mr. Fred Peart, the Minister of Agriculture, who was the association's chief guest, said he knew of their concern that the scheme would become a permanent feature of the Common Agricultural Policy.

"I want to emphasise to-night that I accepted it only as a temporary expedient and I know that the Commission regard it in the same way," he said.

Dutch set ceiling on potatoes

By Michael Van Os

AMSTERDAM, March 31.

THE DUTCH Government has ordered a maximum price from to-morrow of the most popular brand of potatoes and it expects that the necessary subsidies to the wholesale trade may total about Fls.600,000 (£116,000) a week.

The move is coupled to the earlier announced decision to cease the issue of export licences for potatoes to countries outside the Common Market and the U.K., which is not a traditional customer for Dutch potatoes.

The Dutch move follows the recent sharp increases in local potato prices as a result of soaring export demand.

U.K. HORTICULTURE

New kind of lettuce grower emerges

BY A SPECIAL CORRESPONDENT

SUPERMARKET DEMAND really started the modern lettuce production industry in Britain. When the pre-pack counters demanded a hearted lettuce of 5 oz. during winter, it could be obtained only from Holland.

So to Holland went the buyers for the big chains, and massive imports dominated U.K. markets throughout the late 50s and early 60s. At that time the lettuce crop in the U.K. consisted of big outdoor plantings in specially favoured areas like the moss lands of central Lancashire while in the winter a few lettuces were produced with little heat in ageing glasshouses.

But the British grower recognised the challenge and now with 2,500 acres of protected lettuce crops has beaten off the Dutch domination.

British lettuce have taken the top place in the market and at this time of year the 1,000 acres of heated glasshouse production is providing the market with about 6.5m. boxes during the winter months backed up by the same amount from cold glass and 500 acres from polythene tunnels and frames.

Last year's outdoor lettuce prices were exceptionally good, prompted by a combination of the hot salad-eating weather and the cheapness of tomatoes during the same period.

This caused, inevitably, increased under glass acreages to be planted in late summer and these coupled with production from open fields during the late autumn depressed the price until it reached crisis proportion in late autumn.

Winter lettuce growers produce to a planned programme and therefore commit themselves for a season—sowing, planting and harvesting at regular dates to keep the whole glass area fully employed and labour used constantly. For those who maintained their programmes—and their nerve—the job has come right and prices for the past couple of months have been good.

To get costings right the winter lettuce grower's books look something like this: growing costs (including fertiliser, seed, compost for blocks into which seed is sown, farmyard manure, soil sterilisation, pests and disease control, water, carbon dioxide, labour and fuel oil) 44.2p per box of 12 lettuce; marketing costs (including market handling 2p per box, transport 6p, plastic bags £4 per 1,000, boxes £110 per 1,000 and commission 10 per cent.) 33.4p per box.

Oil costs

This gives a total cost per box of 77.6p. Allowing a conservative annual depreciation on glass and equipment at 9.2p it reaches a total of 86.8p.

Therefore a modest profit means, say, 95p per box returned home. This, however, is flexible because for every two weeks in winter that the crop is held back by weather or other factors another 5p per box is needed.

Oil alone is £1,200 per acre. This means that for lettuce grown in cold houses—which means that they miss the three months' mid-winter market—the oil costs can be subtracted and with the reduced marketing commission costs are 55.2p per box.

With the grower needing 8p each in winter it can easily be seen that handling and retail profit margins can soon add a few more pence. But the demand and sales are there if the quality is good. And this is increasing.

With better varieties to heart up during the short winter days and wider spacing to give bigger plants weighing 6oz. minimum the market seems capable of steady expansion.

In fact although the larger outdoor lettuces dominate the market through the summer and into early autumn, there is a steady inquiry from the supermarkets and chain stores for the more tender hearted lettuce produced under glass.

This has given rise to a new breed of lettuce grower who produces his heads from under glass for the full 12 months. Growing without heat during the late spring, summer and early autumn, but having it available in case of sudden cold spells, he can guarantee a standard article for the whole year.

He also offsets some of the winter growing expense against the cheaper summer period which makes his profit look better.

In fact it begins to look as if although many small growers will continue producing lettuce in winter and tomatoes or cucumbers in summer, the larger growers are dividing rapidly into either year-round croppers of tomatoes or lettuce.

By so doing they can become complete specialists, have a 12-month—or almost—supply into the market and work out their costings and growing programme down to factory-like operations.

U.S. wheat export rate below target

WASHINGTON, March 31.

THE PACE OF U.S. wheat exports needs to be speeded up significantly over the coming weeks if total overseas shipments this season are to attain the officially-projected level of around 1,300m. bushels, it was claimed here.

Excluding exports in the form of flour, U.S. Agriculture Department figures show that in the first 38 weeks of the current season, which began on July 1, 900m. bushels of wheat have been inspected for export so far.

This means about 350m. bushels will have to be exported over the next 14 weeks to bring the total up to the officially-projected level.

To achieve this, the weekly average exports from now until the end of the season will have to climb 25m. bushels.

So far this season, the weekly average has been 23.7m. bushels, but over the past three months the average has dropped to only 19.2m. and for the past two weeks to below 15m.

In the final 14 weeks of last season, wheat exports averaged only 16.8m. bushels a week.

Earlier this month the U.S. Agriculture Department trimmed 50m. bushels from its estimate of the current season's wheat export to allow for a slower-than-expected pace of foreign buying orders.

This raised the officially projected end-of-season stocks to around 478m. bushels from 327m. carried into the current season.

If wheat exports over the coming weeks fail to show the necessary increase, a further upward adjustment in the stocks forecast seems inevitable. This would further help offset losses in this year's winter wheat from the five south-western states hit by drought.

...MMODITY MARKET REPORTS AND PRICES

...E METALS

...ELS

LEGAL NOTICES

COCOA

COFFEE

RUBBER

SILVER

FREIGHTS

GRAINS

SOYABEAN MEAL

SUGAR

WOOL FUTURES

MEAT/VEGETABLES

JUTE

CLUBS

PRICE CHANGES

Prices per ton unless otherwise stated.

	Mar. 31 1976	+ or —	Month ago
Metals			
Aluminium	£420		£420
Free Market	£405-415		£365-375
Copper			
Cash Wire Bars	£711	−10.5	£626.25
3 months do. do.	£732	−10.5	£644.75
Cash Cathode	£702	−11.0	£616.5
3 months do.	£722.5	+11.0	£635
Gold ...... Troy oz.	$129.5	+0.5	$132.5
Lead Cash	£207	−7.5	£182.875
3 months	£214.75	−7.875	£189.875
Nickel	£2,447		£2,447
Free Market (lb)	$2.08-.22		$1.97-2.1
Platinum troy oz.	£81.5-87		£78.5-81.5
Free Market	£71.1		£67.4
Quicksilver (76lb)	$100-105		$90-95
Silver Troy oz.	214.5p	+3.8	205.6p
3 months	219p	+3.8	210.3p
Tin Cash	£3,560	−7.5	£3,286
3 months	£3,582.5	+5.0	£3,356
Wolfram 22.04lb. cif	£50½-51½		£45-46.5
Zinc Cash	£391	+8.5	£343.75
3 months	£405.25	+8.625	£354.125
Producers	$795		$795
Oils			
Coconut Malayan			
Groundnut			
	£426		£422
Linseed Crude	£388		
Palm Malayan	£189		£185
Soyabean			
Seeds			
Copra Philippines	$207.5	−2.5	$202
Groundnuts Nigerian			
Linseed Can. No. 1	£159		£150
Grains			
Barley EEC	£69.5	−0.5	£69
Home futures	£68.5	−0.5	£64.25
Maize			
French No. 3 Am.	£70.25	−1.75	£68
S.A. Yellow	£73		£70.75
Wheat			
No. 1 Red Spring			
No. 2 Hard Winter	£89.15	−1.85	

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Grains ease, limit bid in coffee

NEW YORK, March 31.

PRECIOUS METALS closed slightly lower on renewed speculative selling, Bache reports. Copper finished near unchanged on mixed commission house and trade activity. Grains eased on local liquidation with commercial scale down buying on lack of fresh news. Coffee closed heavily limit bid on trade buying on rumours of possible South American interest.

Cocoa—May 69.00 (69.75), July 66.00 (65.77), Sept. 63.15, Dec. 60.20, March 58.58, May 57.25, July unquoted. Sales: 1,001.

Coffee—"C" Contract: May 105.70 bid (106.70), July 105.70 bid (106.70), Sept. 105.60, Dec. 107.00 bid, March 106.50 bid. Sales: 901.

Copper—April 63.00 (62.90), May 63.40 (63.30), June 63.80, July 64.20, Sept. 65.00, Dec. 66.00. Sales: 4,419 lots.

Cotton—May 57.05-57.10 (57.21), July 57.85-57.95 (58.11), Oct. 57.60, Dec. 57.50-57.55, March 58.65-58.80, May 59.25-59.35, July 59.40-59.45. Sales: 2,250.

*Gold—April 129.10 (129.50), May 129.40 (129.70), June 129.70, Aug. 130.50, Oct. 131.60, Dec. 132.70, Feb. 133.80, April 134.90, June 136.00, Aug. 137.20. Sales: 797.

Greasewool—Spot 167.3 nominal (166.0 nominal), May 166.0-169.0 (164.3), July 167.0-168.0 (165.5), Oct. 167.0-168.0, Dec. ...

STOCK EXCHANGE REPORT

Leading equities fluctuate narrowly in thin trading

Index eases 1.8 to 402.4—Insurance results disappoint

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 22	Apr. 1	Apr. 2	Apr. 13
Apr. 5	Apr. 14	Apr. 15	Apr. 28
Apr. 20	Apr. 29	Apr. 30	May 11

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With investors naturally unwilling to take a view ahead of Monday's *final ballot* for the *Labour leadership* and Tuesday's Budget, leading equities yesterday continued to fluctuate narrowly in a thin trade. Scattered small selling orders in the early trading lowered prices marginally, but little transpired to affect sentiment and closing levels were usually above the worst. This was reflected in the FT 30-share index which was 3.2 down at 11 a.m. before rallying to show a loss of only 0.9 at 2 p.m. and a closing fall of 1.8 at 402.4. This represents a three-day loss of 8 points following the previous week's gain of 16.1.

Gilt-edged stocks showed to advantage during the morning session, but turned undecided pending to-morrow's Minimum Lending Rate announcement; long-dated issues ended ⅛ off in places after earlier gains to ¼ and scattered losses elsewhere left the Government Securities index 0.17 off at 62.43. The South African Budget had no apparent effect on S.A. Industrials and Gold shares, the index for the latter closing at 160.6, up 2.4 from its 28-month low.

Small tax-loss selling in an unwilling market took its toll on Property issues, and Insurances were *undermined by disappointing* results from Pearl and Legal and General; the FT-Actuaries Property share index came back 2.2 per cent. to 162.50, while the Life Insurance sector gave up 1.8 per cent. to 124.93. The All-Share index, on the other hand, shed only 0.7 per cent. to 164.61 although the overall dullness showed in a widening of the falls: rises ratio to 4:1 in FT-quoted industrials; this goes against Tuesday's 3:2.

Gilts awaiting Budget

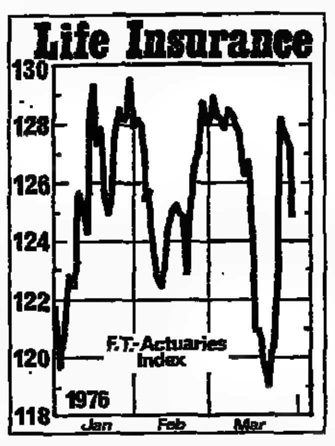
A disposition to await next Tuesday's Budget proposals became more *evident as the day* wore on in British Funds and the trend, which had been firm again at the outset, turned a shade easier. The reaction was also partly technical after the upturn of the past week or so. Long-dated issues gradually shed early gains extending to ¼ and closed a net ⅛ lower. The mediums were similarly lower, while shorter maturities sustained final losses to ⅛, after having been ₁⁄₁₆ higher initially; the pause in demand at this end of the market *probably affected sentiment* more than the actual volume of selling. Corporations were unmoved but Southern Rhodesians eased *another point in places.*

Still a fairly volatile market, the premium on investment currency fluctuated between 105¾ and 103 per cent. before closing only a net ½ down at 105¼ per cent. Yesterday's Se conversion factor was 0.6629 (0.6552).

Pearl disappoint

With three major companies *reporting preliminary figures,* interest in Insurances centred mainly around life issues yesterday. Hopes for a repeat of Prudential's good figures which were announced last week were disappointed and Pearl, 226p, and Legal and General, 137p, both lost 6. Equity and Law, which disclosed the figures in the late trade, managed to retrieve an early loss of 4 to close unaltered at 170p. Composites drifted lower in a small business.

Home banks developed a downward drift. National Westminster ended 7 lower at 228p and Barclays lost 5 at 280p. Overseas issues also tended to weaken with Hongkong and Shanghai 7 lower at 335p on far-Eastern advices. Press



comment on the results caused Grindlays, 31p, to lose 1½ of the previous day's gain of 2½. Merchant Banks also eased with Anglo-Continental 3 off at 40p and Kleinwort Benson 4 down at 104p. Provident Financial receded 3 to 72p, after 69p, in Hire Purchases where UDT gave up 2 at 26p.

Breweries and kindred trades *drifted gently lower in slack* trading. Distillers gave up 2 to 145p as did Highland Distilleries to 108p; the latter's interim *figures are due next Monday.*

Among quiet Buildings, higher earnings took Tilbury Contracting up 4 to 247p. Ibstock Johnsen, still reflecting the results, moved up 3 more to 101p. Tarmac closed a penny cheaper at 181p following news of the agreement with Drake and Cubitt in which dealings were suspended yesterday, at 17p, pending clarification of the company's position. Awaiting to-day's results, London Brick closed a fraction off at 58½p.

After touching 391p, ICI closed unchanged at 394p. Elsewhere in Chemicals, Brent finished 2 up at 111p in response to the preliminary results which accompanied the bonus "rights" issue proposal.

British Home dull

Apart from British Home, 4 cheaper at *380p,* leading Stores were quiet and little changed. Spirella edged up 2 to 108½p following the full report. Currys, at 108p, lost all the previous *day's* rise of 5 which followed hopes of possible Budget benefits, while higher earnings failed to generate much support for House of Fraser, a fraction easier at 87p, and Combined English Stores, a penny off at 84p, after 86p.

Leading Electricals lost ground in idle trading before making a partial recovery. Still unsettled *by worries of increased competition* for its X-ray scanners, EMI reacted afresh to close 3 cheaper at 254p, after 252p. Continental *interest left Philips' Lamp ¼ better* at £10¼; the price in yesterday's issue was incorrect. Elsewhere, Pye Holdings, 50p, shed 2 of the *previous day's improvement of 5* which followed the better-than-expected results.

Engineering movements were often caused by either news items or Press comment. Ash and Lacey fell 7 to 108p on lower profits and for a similar reason L. Gardner reacted 5 to 83p, but the increased dividend and figures lifted Spirax-Sarco 3 to 148p. Still reflecting the substantial profits recovery and return to the dividend list, Percy Lane improved 1 more to 26p. Awaiting to-day's preliminary statements, APV hardened to 266p but Expanded Metal eased to 80p. Elsewhere, Weyburn fell to 630p before closing a net 30 down at 654p; the details of the proposed "rights" issue were not generally known. Spear and Jackson, 93p, and Rotork, 160p, both lost 4, while Tom Martin shed 3 to 62p, after 61p. Charles Clifford remained firm in front of *Friday's annual results, closing a* further 5 up at 98p. Shipbuildings sagged, Hawthorn Leslie, 36p, and Robb Caledon, 47p, los*ing 3 apiece.*

Foods had an easier bias. J. Sainsbury eased 3 to 114p, while Fitch Lovell, 51p, and Manbre and Garton, 132p, shed 2 apiece. Peek Holdings were noteworthy for a fall of 2 to a 1976 "low" of 16p.

J. Lyons "A" featured Hotels and Caterers with a reaction of 7 to 120p in active trading. Trust Houses Forte closed 1½ easier at 112½p despite a Press suggestion that Allied Breweries had decided to take up their "rights" issue entitlement, while Savoy Hotel "A," at 26p, gave up a penny of the previous day's rise of 2 which followed the preliminary figures.

Reckitt & Colman sold

Reckitt and Colman encountered some sizeable selling and receded 7 to a 1976 low of 324p ahead of next Monday's annual figures.

Pilkington lost 5 to 318p and Unilever 4 to 446p, but other leading miscellaneous Industrial leaders closed barely altered. Elsewhere, Biddle Holdings responded to the profits advance with a rise of 7 to 75p, while the good second-half results left Coltness ½ up at 23p. Robert McBride improved 6 to 148p in anticipation of results due next Thursday. London and Northern put on 3 to 39p, but the chairman's profits projection at the AGM left White Child and Beney 4 down at 50p. Bridport-Gundry receded 3 to 27p and Thurgar Bardex a penny to 4p, both on sharply lower profits, while BBA Group, 70p, relinquished 3 of the previous day's gain of 4 which followed the profits upsurge and proposed scrip issue.

Rolls-Royce continued a dull market in Motors and Distributors, losing 2 more at 60p following Press comment on the £4.1m. "rights" issue proposal. British Leyland eased a penny to 27p on the strike situation at the company's *Birmingham* plant. York Trailer, ahead of to-day's results, reacted similarly to 28p.

Publishers turned a shade easier *and William Collins, a firm market* recently, slipped 3 to 135p, while Associated Book lost the turn to 59p, the latter awaiting to-day's annual results. Paper/Printings contained a few minor contrasting features; Hindson Print recovering 3 to 48p. Among smaller-priced issues, Oxley Printing, 13p, *and Delyn, 12p, gained 1 apiece.*

Properties decline

A *small amount of nervous* selling in an unwilling market accompanied by fresh rumours of liquidity troubles in the sector made for a *dull day in Properties.* Among the leaders, Land Securities, 168p, and MEPC, 67p, both receded 4, while English Property shed 3 to 50p and Town and City Properties a penny to 14p. Elsewhere, United Real Property, 173p, and Property Holding and Investment, 213p, retreated 9 apiece, while Imry gave up 7 at 135p. Declines of 4 occurred in Bernard Sunley, 128p, Great Portland Estates, 228p, Berkeley Hambro, 108p, and Chesterfield Properties, 105p. Chown Securities slipped 1½ to 9p and Law Land, despite increased profits, closed similarly easier at 59p. Midhurst White managed to harden ½ to 12½; the price has incorrectly been shown at 10½p in recent issues.

Oils had a rare tradeless day, although the undertone was firm enough despite Wall Street influences. British Petroleum, 610p, and Burmah, 35p, remained at their overnight levels, while Shell drifted a further 2 easier to 408p. Overseas advices rather than investment currency influences caused Royal Dutch to react ¼ to £36½. Elsewhere, favourable comment failed to enthuse Ultramar, unaltered at 156p.

Fairly light selling in the absence of support brought a reaction of 6 to a low for the year of 94p in *Lonrho.* Elsewhere in Overseas Traders, Booker McConnell, 142p, relinquished 3 of the recent good rise which stemmed from the encouraging preliminary statement. S. and W. Berisford also saw profit-taking and slipped back 4 to 159p.

An outstanding market of late on speculative buying, Reardon Smith succumbed to profit-taking and eased 10 to 280p with the "A" 4 off at 71p. Elsewhere among lifeless Shippings, Sheaf Steam shed 3 to 85p but P & O Deferred closed a touch harder *at 93½p.*

Trusts and Financials generally displayed an easier bias. Mallt Securities were lowered 3½ to 15½p *by dealers seeking a trading level.*

A mixed trend was evident in Textiles after a small trade. Sirdar rose 3 to 44p on the higher *first-half profits* while, awaiting further news on the bid situation, William Reed edged forward a shade more to 39p. Courtaulds *moved narrowly* and ended a net penny better at 149p and Carpets International, results due April 14, were similarly dearer at 102p. *Worth Bond* cheapened 2 to 51p. The Tobacco majors were untested and remained at overnight levels.

South African Industrials made no initial response to the Budget proposals, closing with small losses where changed.

Teas closed better where changed. Williamson put on 5 at 80p and fresh small buying in a thin market left Clairmace 2 up at 38p. Still reflecting Press mention, Catel Trust edged forward ½ to 2½p. Guthrie cheapened 4 to 184p in idle rubbers.

Golds steadier

The South African Budget had little effect on Gold shares, which improved in line with the bullion *price (finally* 50 cents higher at $129.50 per ounce) reflecting the strength of both the metal and shares in overnight U.S. markets. *Golds* opened firmer in London but modest offerings from local sources, following the disappointing afternoon metal fixing price left them below their best levels. The Gold Mines index rose 2.4 to 160.6. Financials were mixed and General Mining rose ¼ to £16¼ but GFSA fell a similar amount to £17¼. Patino added ½ to £10¼ on consideration of the New Caledonia nickel news.

London-based Financials were easier in line with U.K. Industrials. Charter lost a further 4 to 122p, after a 1976 low of 120p. Platinums continued to move ahead on consider[...] burg's decision t[...] duction. Potgiete[...] more to 132p, Platinum rose 2 t[...] and Tins were q[...]

Australians lost [...] with the trend in [...] markets. Urani[...] ticularly unsettled [...] pending statemen[...] policy by the Au[...] ment. Panconting [...] before rallying t[...] down on balance [...] Wallsend droppe[...] while EZ Indust[...] 340p. Elsewhere [...] ling lowered Nort[...]

FINANCIAL TIMES STOCK INDICES

	March 31	March 30	March 29	March 26	March 25
Government Secs.	62.43	62.60	62.24	62.17	62.38
Fixed Interest	61.97	62.00	61.79	61.79	61.74
Industrial Ordinary	402.4	404.2	406.3	410.4	408.3
Gold Mines	160.6	158.2	162.1	173.2	170.6
Ord. Div. Yield	5.16	5.14	5.12	5.07	5.10
Earnings Y'ld % (full)	15.45	15.39	15.31	15.18	15.18
P/E Ratio (net) (*)	9.46	9.52	9.57	9.65	9.65
Dealings marked	6,898	7,094	6,203	5,920	7,076
Equity turnover £m.	—	88.56	53.67	59.25	55.23
Equity bargains total	—	20,736	17,872	17,162	16,997

10 a.m. 403.3. 11 a.m. 401.9. Noon 401.7. 1 p.m. [...] 2 p.m. 402.5. 3 p.m. 402.4.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=[...]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. [...] Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.73 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	381.5 (6/1/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	345.9 (2/1/76)	158.2 (30/3/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. A[CTIVITY]

Daily— Gilt-Edged... Industrials... Speculative... Totals...

5-day Av'r'ge Gilt-Edged... Industrials... Speculative... Totals...

HOGG R[OBINSON]

Hogg Robinso[n] formed Hogg R[...] Johnson (yacht [...] brings together t[...] of marine insura[nce] the Hogg Robins[on] the yachting skill[s] Knox-Johnson.

MONTHLY [...] OF STOCK [...]

	Mar.
Financial Times	
Govmnt. Secs	62.10
Fixed Interest	61.74
Industrial Ord.	404.7
Gold Mines	176.9
Dealings mkd.	6,885
F.T. Actuaries	
Indust'l Grp.	159.70
500-Share	175.29
Financial Grp.	136.64
All-Share (650)	165.75
20-year Govt.	49.66
Red. Debs.	49.56
	High
Industrial Ord.	414.1 (
All-Share	168.47 (

† Corre[cted]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Wednesday, March 31, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tuesday March 30 Index No.	Monday March 29 Index No.	Friday March 26 Index No.	Thurs. March 25 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	154.75	−0.7	14.96	5.54	10.07	10.06	155.84	156.31	156.75	155.66	103.88	157.87 (11/3)	148.88 (2/1)	205.47 (4/5/72)	60.71 (13/12/74)
2	Building Materials (30)	145.22	−0.6	11.84	6.01	12.72	12.72	146.04	146.17	146.01	145.47	91.56	150.16 (15/1)	138.49 (20/2)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	252.87	−0.7	15.40	4.32	10.09	10.09	254.62	255.15	255.55	254.34	192.55	260.20 (15/1)	227.29 (22/3)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	266.00	−0.9	16.36	4.46	9.01	9.01	270.41	273.52	274.68	273.37	191.62	279.40 (11/3)	250.60 (6/1)	350.04 (4/5/72)	85.71 (25/6/62)
5	Engineering (Heavy) (13)	175.68	−1.3	18.91	6.73	8.59	8.59	177.91	181.40	179.35	175.45	124.87	181.40 (29/3)	163.90 (6/1)	202.57 (6/5/72)	94.433 (1/2/76)
6	Engineering (General) (63)	145.99	−0.7	15.52	5.96	9.65	9.65	144.94	145.54	146.66	144.80	89.34	146.66 (25/3)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	59.50	−1.1	14.24	6.29	12.66	12.66	59.98	60.06	60.17	59.85	37.52	60.17 (26/3)	51.19 (6/1)	136.70 (4/7/65)	19.96 (13/12/74)
8	Miscellaneous (25)	154.16	−0.3	14.69	6.28	10.55	10.55	154.54	154.00	154.32	153.59	93.24	154.85 (25/2)	131.83 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	138.13	−0.5	14.55	4.56	10.41	10.40	138.86	138.76	139.63	138.89	77.61	141.28 (11/3)	121.67 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	157.10	−0.3	12.51	5.49	12.19	12.17	157.64	156.93	157.99	156.50	89.77	160.15 (11/3)	139.16 (2/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (13)	162.41	−0.1	18.93	6.26	7.67	7.65	162.54	162.46	162.62	161.59	104.24	164.94 (26/2)	153.36 (2/1)	263.28 (4/5/72)	53.92 (17/12/74)
12	Motors and Distributors (25)	81.62	−1.2	16.67	5.77	9.24	9.24	82.57	82.97	83.61	83.62	41.02	85.06 (15/3)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	151.81	−0.5	13.81	5.85	10.72	10.64	152.54	153.06	153.72	152.75	114.26	162.24 (4/2)	148.76 (22/3)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	156.80	−0.5	14.39	6.88	10.45	10.45	157.52	157.98	159.53	156.26	130.89	179.45 (2/2)	152.74 (22/3)	201.77 (26/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	179.59	−1.3	10.52	5.62	14.71	14.71	181.72	181.72	183.56	181.17	151.72	186.69 (15/3)	176.71 (22/1)	267.40 (13/7/72)	78.61 (13/12/74)
16	Entertainment, Catering (14)	190.95	−1.4	12.83	6.79	12.00	11.90	193.60	195.26	197.55	197.16	115.56	211.36 (8/3)	180.46 (6/1)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	166.72	−0.9	12.72	6.04	11.08	11.00	168.50	167.72	167.94	167.59	121.11	174.05 (4/2)	162.69 (20/2)	211.65 (1/6/72)	59.76 (11/12/74)
18	Food Retailing (16)	158.25	−0.6	12.07	5.01	12.05	12.06	159.10	158.41	159.13	159.13	116.97	160.06 (12/1)	136.26 (19/3)	235.06 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	179.50	−0.5	16.87	5.73	11.94	11.94	180.01	181.14	183.16	182.19	121.60	184.54 (11/3)	153.47 (2/1)	250.29 (16/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	106.44	−0.4	20.49	7.80	7.26	7.27	106.85	107.47	108.21	107.67	79.63	112.50 (26/2)	105.86 (22/3)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	126.86	−0.5	12.01	5.37	12.80	12.76	126.23	127.45	127.58	126.69	100.60	136.84 (3/2)	122.56 (22/3)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	168.27	+0.4	12.97	6.54	10.16	9.60	167.56	168.70	170.44	170.85	112.84	183.19 (30/1)	165.54 (19/3)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	220.22	—	19.80	6.44	7.70	7.70	220.17	220.75	221.94	220.75	165.55	236.28 (5/2)	211.56 (5/3)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	71.17	−0.5	10.16	5.22	7.27	7.27	71.52	69.79	69.60	69.65	37.71	71.52 (30/3)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	220.65	—	11.77	4.36	11.74	11.74	220.57	221.87	225.24	222.56	138.12	226.72 (12/3)	199.45 (6/1)	226.72 (12/3/76)	71.20 (1/12/74)
26	Office Equipment (9)	91.86	−1.1	14.01	5.62	10.87	10.87	92.86	92.70	93.26	92.50	69.73	97.65 (21/1)	85.09 (2/1)	246.06 (1/9/72)	45.54 (2/1/75)
27	Shipping (12)	379.51	−0.1	16.85	6.53	6.79	6.55	380.06	382.50	379.99	372.53	340.48	452.64 (30/1)	355.52 (19/3)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	167.05	−0.6	14.15	6.38	10.44	10.43	167.97	168.96	170.04	169.61	115.01	172.73 (30/1)	156.79 (2/1)	258.63 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	159.06	−0.5	15.96	5.53	10.53	10.46	159.81	160.56	161.07	160.07	112.15	164.06 (30/1)	152.00 (2/1)	220.17 (1/6/72)	59.01 (13/12/74)
30	OILS (4)	351.86	−0.2	14.17	4.67	7.97	7.84	352.74	355.05	353.54	348.95	191.97	355.97 (12/3)	331.34 (16/2)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	175.12	−0.4	15.99	5.40	10.04	9.90	175.85	176.57	177.15	175.84	119.07	179.18 (11/3)	167.51 (2/1)	227.95 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	135.45	−1.5	—	5.34	—	—	137.56	137.76	139.16	137.33	113.64	153.46 (30/1)	133.86 (19/3)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	155.38	−1.7	19.68	5.44	7.82	7.82	158.13	157.66	160.07	158.65	124.98	192.16 (29/1)	152.93 (19/3)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	160.34	+0.6	—	7.67	—	—	159.32	161.20	165.42	165.18	147.78	186.52 (13/1)	159.32 (30/3)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	121.40	−2.2	—	5.19	—	—	124.08	124.39	125.07	124.95	110.72	132.10 (26/2)	104.50 (2/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (8)	124.93	−1.8	—	6.64	—	—	127.24	127.65	128.16	122.46	91.15	129.45 (30/1)	119.06 (22/3)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	110.48	−1.2	—	6.26	—	—	111.83	111.97	113.06	111.85	84.85	119.76 (30/1)	105.32 (6/1)	156.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	243.98	−0.4	6.76	3.82	16.66	16.66	245.07	244.20	244.82	241.66	152.64	246.31 (11/3)	218.26 (6/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	81.88	−0.9	—	6.75	—	—	82.64	83.07	83.26	83.09	81.25	93.93 (27/1)	81.88 (31/3)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (31)	162.50	−2.2	3.11	3.02	55.72	55.18	166.20	166.47	169.00	168.10	150.20	194.57 (30/1)	161.74 (22/3)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	78.96	−2.2	16.56	7.11	9.46	9.46	80.71	80.17	80.76	81.95	65.48	91.98 (3/2)	78.96 (31/3)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	156.81	−0.9	3.35	4.62	31.10	31.08	158.32	160.69	162.56	162.96	131.12	184.55 (30/1)	156.81 (31/3)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	164.61	−0.7	—	5.35	—	—	165.70	166.36	167.17	165.86	117.28	172.64 (30/1)	160.52 (2/1)	228.18 (1/6/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (9)	465.93	−1.3	13.76	7.21	11.16	11.13	472.20	466.57	465.80	461.21	461.51	472.20 (30/3)	404.67 (14/1)	555.37 (25/7/73)	54.66 (25/8/65)
45	Teas (8)	129.47	+1.2	32.54	9.15	4.17	4.03	128.00	127.77	127.86	127.30	96.08	129.47 (31/3)	117.89 (7/1)	129.47 (31/3/76)	59.72 (17/10/74)
46	Coppers (3)	194.20	−1.0	50.05	5.85	1.97	1.97	196.11	200.68	200.68	190.88	407.56	301.47 (7/1)	183.63 (6/3)	667.79 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	95.57	−1.1	12.37	5.26	9.14	9.14	96.65	98.51	99.46	97.32	108.98	119.77 (7/1)	86.18 (3/3)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	101.94	+0.4	11.69	8.66	12.25	11.61	101.56	101.40	104.96	105.90	94.67	105.90 (25/3)	86.09 (9/2)	185.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	231.46	−1.2	14.48	4.46	9.06	9.04	234.20	235.27	233.51	233.23	164.91	238.88 (12/2)	229.55 (2/1)	262.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Wed. March 31 Index No.	Wed. March 31 Yield %	Tuesday March 30	Monday March 29	Friday March 26	Thurs. March 25	Wed. March 24	Tuesday March 23	Monday March 22	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	13.95	13.86	13.95	13.94	13.93	13.93	14.02	14.11	14.17	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.88	‡13.05	50.02	49.68	49.70	49.84	*49.56	49.24	48.92	51.32	53.45 (30/1)	47.56 (2/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	49.46	‡14.93	49.53	49.60	49.48	49.42	49.50	49.50	49.59	49.20	51.46 (4/2)	46.66 (2/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	48.76	14.19	48.76	48.76	48.81	48.81	48.77	48.77	48.84	46.57	51.23 (18/2)	46.50 (3/1)	114.41 (15/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	67.61	14.08	67.79	67.85	68.07	68.07	68.18	68.37	68.05	66.56	71.07 (2/3)	62.76 (2/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.75
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p. The following changes have taken place in the FT-Actuaries Share Indices:

STOCKS DELETED: Blackwood Morton (Household Goods); A.B. Electronics (Light Electronics, TV); Dimplex (Household Goods); Group Lotus Car (Motors and Distributors); Rotaprint (Office Equipment); Francis Industries (Misc. Unclassified); Town and Commercial (Property); Drake and Cubitt Holdings (Cont. and Cons.).

REPLACEMENTS: Hestair (Misc. Unclassified); Carrington Viyella (Textiles); Carless Capel and Leonard (Chemicals); Alginate Industries (Chemicals); H.A.T. Group (Cont. and Cons.); Siebe Gorman (Misc. Unclassified); Bradford Property Trust (Property); Ibstock Johnsen (Building Materials).

* Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BP	£1	13	610	—	615	575
Burmah Oil	£1	11	35	—	53	31
ICI	£1	11	394	—	404	334
Shell Transport	25p	11	408	−2	422	378
Distillers	50p	10	145	−2	152	142½
GEC	25p	9	158	−1	162	142
Charter Cons.	25p	8	122	−4	199	122
Fisons	£1	8	366	−3	417	353
Marks & Spencer	25p	8	94	—	108	91
Slater Walker	25p	8	23	−1	31	22
Town & City Prps.	10p	8	14	−1	23	14
Bowater	£1	7	197	−1	205	173
Dunlop	50p	7	87	−1	99	69
EMI	50p	7	254	−3	277	223
Grand Met.	50p	7	72	−1½	88	69

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 30	Apr. 12	Jun. 24	July 6
Apr. 13	Apr. 27	July 8	July 20
Apr. 28	May 10	July 22	Aug. 3

"Calls" were made in Trust Houses Forte, Standard Chartered, MY Dart, Town and City, Lonrho, Beralt Tin, National Westminster Bank Warrants, Charterhall Finance, Keyser Ullmann, Tarmac, ICI, Burmah Oil, Dundonian, English Property, Norwest Holst, Wingate, Ultramar, Cavenham Warrants, Grand Metropolitan and Peachey Properties. A "put" was done in Time Products, while "doubles" were arranged in Town and City, *Lonrho, Dundonian, Samuel Properties* and Stone-Platt.

Industrials							
A. P. Cement	15	Guardian	20	Spillers	5	Shell	25
Assoc. Leisure	3	G.K.N.	22	Tesco	6	Ultramar	20
Barclays Bank	22	Hawker Sidd.	35	Thorn "A"	20		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	21	Unilever	40	Anglo Amer.	60
Bowaters	16	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
B.A.T.	30	I.C.L.	14	Vickers	15	Chart'h'll Fin.	6
British Leyland	7	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
BOC Intl.	6½	Legal & General	13	Woolworths	6	De Beers Def.	35
Burton 'A'	7	Ladbroke	11			F. S. Geduld	360
Cadburys	6	Lloyds Bank	22	Property		Great Boulder	12
Courtaulds	11	"Lofs."	5½	Brit. Land	4½	Hampton Areas	12
Debenhams	8	"Mams"	6	Cap Counties	3½	Hampton Prop.	4
Distillers	13	Marks & Sp'ncer	10	E.P.	8	Kloof	100
Dunlop	7½	Midland Bank	22	Int. Europ	7	Lonrho	12
Eagle Star	13	Nat'l West Bank	20	Land Securities	16	Loraine	56
E.M.I.	17	"Do" Warrants	8½	MEPC	10	Poseidon	56
Gen. Accident	16	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
Gen. Electric	13	Plessey	8	Town & City	3½	Rio T. Zinc	17
Glaxo	58	R.H.M.	6	Town & Comm.	4	Welkom	55
Grand Met.	7	Rank Org. 'A'	18			West Areas	40
G.U.S. 'A'	17	Reed Int'l.	25	Oils		Western M'ng.	16
		Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

Too numerous to name individually, the 129 new 1976 lows recorded among securities listed in the Share Information Service yesterday are given below in their subsections. There were 37 new highs.

NEW HIGHS (37)

AMERICANS (2): Otis Elevator

BUILDINGS (2): Gibbs & Dandy 'A', Ibstock Johnsen

CHEMICALS (1): Brent Chems.

STORES (2): Selincourt

ELECTRICALS (1): Audio Fidelity

ENGINEERING (6): APV, Hall Eng'g, Beaufort, Lane (Percy), Clifford (C.), Spirax-Sarco

HOTELS (1): North (M. F.)

INDUSTRIALS (11): BTR, Biddle Hldgs., Black & Edgington, Coltness, De La Rue, Dundonian, McBride (R.)

MOTORS (2): Armstrong Eqpt., Kwik-Fit

NEWSPAPERS (1): Webstars Pubs.

PAPERS (2): Oxley Print Group, Saatchi Saatchi Comp.

PROPERTY (1): Estates & Agency

TEXTILES (2): Leeds Dyers, Martin (A.)

RUBBERS (1): Malayalam

MINES (2): Patino N-V, S. W. Africa

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	47	—	11
Corpns., Dom. and Foreign Bonds	10	3	31
Industrials	128	595	1,066
Financial and Prop.	26	275	273
Oils	8	10	22
Plantation	6	7	33
Mines	35	34	78
Recent Issues	5	25	42
Totals	257	949	1,576

BASE L[ENDING] RAT[ES]

Allied Irish Ba[nks] · American Expr[ess] · Anglo-Portugue[se] · Henry Ansbach[er] · Banco de Bilba[o] · Bank of Cyprus · Bank of N.S.W. · Banque du Rh[one] · Barclays Bank · Barnett Christ[ie] · Bremar Holdi[ngs] · Brit. Bank of M[id. East] · ■ Brown Shipley · Canada Perm't · Cayzer, Bowater · Cedar Holdings · ■ Charterhouse J[aphet] · C. E. Coates · Consolidated C[redits] · Co-operative Ba[nk] · Corinthian Sec[urities] · Credit Lyonnai[s] · G. R. Dawes · Duboff Brother[s] · Duncan Lawrie · English Transc[ontinental] · First London Se[cs.] · First Nat. Fin. · First Nat. Secs. · ■ Antony Gibbs · Goode Durrant · Greyhound Gua[ranty] · Grindlays Bank · ■ Guinness Maho[n] · ■ Hambros Bank · Hawtin & Part[ners] · Hill Samuel · C. Hoare & Co. · Julian S. Hodge · Hongkong & S[hanghai] · Industrial Bank · Keyser Ullmann · Knowsley & Co. · Lloyds Bank · London & Eur[opean] · London Mercant[ile] · Midland Bank · ■ Samuel Montagu · ■ Morgan Grenfell · National Westm[inster] · Northern Comm[ercial] · Norwich Genera[l] · Portman Guara[ntee] · P. S. Refson & Co. · Rossminster Acc[eptances] · Schlesinger Limi[ted] · E. S. Schwab · Security Trust C[o.] · Shenley Trust · Standard Charte[red] · Trade Developm[ent] · Twentieth Centu[ry] · United Bank of K[uwait] · Whiteaway Laidl[aw] · Williams & Gly[n's] · Yorkshire Bank

■ Members of the Ac[cepting Houses] Committee.

* 7-day deposits 5½%, 1[...]

† 7-day deposits on sum[s ...] under £25, 5¼% up to £[...] over £25,000 6¾%.

§ Demand deposits 5¼%.

‡ Call deposits over [...]

CORAL IND[EX]: Close 400-4[...]

I.G. INDE[X] GOLD 125½-1[...]

INSURANCE [BASE] RATES

† Atlantic Assurance [...]

Cannon Assurance [...]

† Address shown under I[...] Property Bond table.

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 9 per cent. (since March 5, 1976)

Day-to-day credit was in short supply in the *London money* market yesterday, though it was expected that funds would be in adequate supply in general, and the authorities gave assistance by buying a large amount of Treasury bills and Corporation bills from the discount houses.

Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and the market was also helped by a fall in the note circulation. On the other hand there was a net market take-up of Treasury bills, settlement was made of official gilt-edged sales, and oil royalty payments was a further adverse factor.

Discount houses paid 7¾ per cent. for secured call loans at the start, and funds commanded 10 per cent. in places *during the* afternoon, though closing balances were generally found at around 8¾-9 per cent.

In the *inter-bank market* overnight loans opened at 7¾-8 per cent. and eased to 7½-7¾ per cent., before touching 9¾-10 per cent., and closing at 8¾-9 *per cent.*

Short-term fixed period interest rates maintained their recent easier trend.

Rates in the table below are nominal in some cases.

Mar. 31 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	7½-10	—	—	—	8½-8¾	7¾-10	—	—	—
2 days notice	—	—	8-8¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	7⅞-8¼	8¼-8⅜	—	—	8½-8¾	8-8¼	—	—	—
One month	8¼-8⅛	8⅛-8¼	8¼-8⅜	8⅝-8	8½-10½	8¾	8⅛	8⅛	8⅜	9¾-9
Two months	8⅜-8¼	8⅛-8½	—	8¾-8½	8½-10½	—	8⅛-8¼	8⅛-8¼	8⅜	9¾-9
Three months	8⅝-8⅞	8¼-8⅝	8⅝-8¾	8¾-8½	8½-10½	—	8¼-8⅜	8⅝	8⅞-8⅝	9¾-9
Six months	9-9¼	8⅞-9⅛	9-9⅛	9¼-9	9-10½	—	—	—	—	9¾-9¼
Nine months	9½-9⅜	9⅛-9⅜	—	10-9¾	9-10½	—	—	—	—	—
One year	9⅞-9¾	9¾-10⅛	10⅜-10½	10⅜-10⅛	9-10½	—	—	—	—	—
Two years	—	—	11¼	—	9-10½	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12¼-12½ per cent.; four years 12½-13¼ per cent.; five years 13-13¼ per cent. ⊕ Bank bills rates in table are buying rates for prime paper. Buying rates for four-month bank bills 8½ per cent.; and four-month trade bills 9¾-9½ per cent. Approximate selling rate for one-month Treasury bills 8⅛ per cent.; two months 8⅜-8⅝ per cent.; and three-months 8½ per cent. Approximate selling rate for one-month bank bills 8⅞-8⅝ per cent.; two-month 8⅞-8⅝ per cent.; and three-month 8⅞-8⅝ per cent.; for one-month trade bills 9½-9¾ per cent.; two-month 9½-9¾ per cent.; and three-month 9½-9⅝ per cent.

Finance House Base Rate (published by the Finance Houses Association), 10 per cent. from March 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bills: Average tender rate of discount 8.4177 per cent.

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

REGIONAL MARKETS

[illegible]

[illegible]	[illegible]	[illegible]	Holt (Jos.) 25p	250	[illegible]	Alliance Gas (£1)	89
.50p	147	−4	Kleen-e-Ze	29		Carroll (P. J.)	128xd
L.	25		Lovell's Shp £1	70		Clondalkin	52
£1	327		N'thn. Goldsmith	90		Concrete Prods.	200
[illegible]	20		P.M.A.	53		Goodbody (£1)	26
[illegible]	65		Pearce (C. H.)	80		Helton (Hldgs.)	29
10p	23		Peel Mills	13		Irish Distillers	56 +1
	9		Robb Caledon	47	−3	Irish Wire	40
	66		Sayers 12½p	76		Jacob	43xr −1½
5p.	16½		Sheffield Brick	85		Sunbeam	18
20p	180		Shell Refrigern.	140		Unidare	79

LEADERS AND LAGGARDS

[...] following table shows the percentage changes which have taken place since [...] 31, 1975 in the principal equity sections of the F.T.-Actuaries Share [...] also contains the F.T. Gold Mines Index.

	per cent.		per cent.
[illegible]	+19.79	Wines and Spirits	+ 3.88
Distributors	+18.67	Food Manufacturing	+ 3.64
[illegible]els	+17.84	Entertainment and Catering	+ 3.46
[illegible]	+17.22	Shipping	+ 3.16
(General)	+16.26	Overseas Traders	+ 2.75
[...]ods (Durable) Group	+15.27	Textiles	+ 2.70
[illegible]ances	+15.09	Packaging and Paper	+ 2.59
Radio and TV	+15.03	Stores	+ 2.27
[...]brokers)	+12.99	Consumer Goods (non-Durable)	
[illegible]	+11.66	Group	+ 1.99
and Publishing	+10.75	Financial Group	+ 1.13
[illegible]	+10.53	Tobacco	− 0.26
[...] Group	+ 9.74	Breweries	− 0.77
[...]neer	+ 9.22	Food Retailing	− 2.92
(Heavy)	+ 8.89	Merchant Banks, Issuing Houses	− 3.13
[illegible]	+ 8.60	Banks	− 4.52
[...]ile)	+ 8.38	Property	− 4.75
[...]oods	+ 8.35	Contracting and Construction	− 4.96
[illegible]	+ 8.18	Investment Trusts	− 6.12
[...]oup	+ 6.57	Discount Houses	− 8.98
[illegible]	+ 6.54	Mining Finance	−10.58
[illegible]	+ 6.45	Coppers	−24.89
[...]ompanies)	+ 5.93	Gold Mines FT	−53.53
[illegible]	+ 4.82	*Percentage changes based on Tuesday,	
[...]erials	+ 4.67	March 30, 1976, indices.	

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99½	92⅛	Treasury 6½pc 1976‡‡	99⅛	–1/32	6.53	7.95
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
107⅜	99⅜	Treasury 10½pc 1976‡‡	101⅛	.....	10.35	8.20
98⅜	95⅜	Treasury 6¾pc 1977‡‡	97⅜	–1/32	6.39	8.64
97¾	95⅛	Electric 3pc 74-77	96¾xd	–½	3.09	6.42
103⅛	92⅜	Treasury 11½pc '77‡‡	103⅛xd	–1/32	11.15	9.16
94⅛	91⅞	Treasury 3pc '77‡‡	93⅞	–¼	3.20	6.96
94⅜	92⅛	Transport 4pc '72-77	94	–⅛	4.25	7.69
99⅜	90½	Treasury 9pc 1978‡‡	99⅛	–⅛	9.08	9.52
101½	98⅛	Treasury 10½pc '78‡‡	101⅛	–⅛	10.36	9.79
93⅛	90⅛	Exchequer 5pc '76-78‡‡	92⅞xd	–⅛	5.38	8.21
103⅛	100¼	Treasury 11½pc '79‡‡	103	–⅛	11.16	10.28
88⅝	83⅝	Treasury 3pc '79‡‡	87⅛xd	–⅛	3.42	7.02
89⅝	73⅞	Electric 4¼pc '74-79	89⅛xd	–⅛	4.76	7.85
100⅛	96⅛	Treasury 10½pc '79‡‡	99⅝xd	–¼	10.54	10.63
87¼	83⅝	Electric 3½pc '76-79	87	–⅛	4.02	7.67
96⅛	91	Treasury 9pc 1980‡‡	95¼	–1/32	9.45	10.49
96½	92⅛	Treasury 9½pc '80‡‡	95⅛	–1/32	9.97	10.93
96½	92¾	Treas. 9½pc 1980 'A'‡‡	95⅛	–1/32	9.97	10.93
86	83½	Treasury 3½pc '77-80	85⅝	–¼	4.09	7.54
88	71	Funding 5¼pc '78-80‡‡	88	.....	5.96	8.70
103⅛	98	Treasury 11½pc 1981	102	–1/32	11.27	10.92
86	81¼	Do. 3½% 1979-81	83⅞	.....	4.17	7.50
—	—	Do. 9¾pc 1981‡‡	£95⅛	.....	10.21	10.94

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 50⅛% (based on $1.9158 per £)

Conversion factor 0.6629 (0.6552)

CANADIANS

[illegible]

S.E. List Premium 50⅛% (based on $1.8857 per £)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا أصل الأصل

هكذا اصل الأصل

INDUSTRIALS—Continued | INSURANCE | PROPERTY—Continued | TRUSTS—Continued | TRUSTS—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	400	Blyvoor 25	415	+5	‡Q100c	1.3	‡
£14	880	Buffels R1	880	......	Q180c	1.4	12.2
198	102	Deelkraal R0.20	105	......	—	—	—
760	410	Doornfontein R1	410	......	‡Q110c	1.4	‡
965	645	East Drie R1	715	+5	Q75c	1.7	6.2
280	160	Elandsr'd Gld Mag 20c	175	......	—	—	
190	120	Elsburg R1	126	+6	Q33.8c	♦	15.5
£16½	£12	Hartebeest R1	£13	......	Q215c	1.4	9.8
695	440	Kloof Gold R1	460	+20	Q55c	1.4	7.1
760	430	Libanon R1	445	......	‡Q110c	1.9	‡
740	335	Southvaal 50c	405	+5	Q8c	1.3	1.2
245	152	Stilfontein 50c	154	+2	Q36c	2.2	10.0
£20½	£10¾	Vaal Reefs 50c	£15¼	+¼	Q175c	2.1	6.8
420	210	Venterspost R1	215	......	‡Q70c	1.9	‡
£35	£21¼	W. Drie R1	£21¼	−¼	‡Q485c	1.2	‡
315	178	W'st'rn Areas R1	180	......	Q52c	♦	17.1
£15¼	880	Western Deep R2	890	......	Q147½c	1.6	9.8
290	190	Zandpan R1	225	......	Q35½c	1.0	9.4

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Fr. State Dev. 50c	95	......	Q14c	1.6	8.7
£22½	£14¾	F.S.Geduld 50c	£15¾xd	+¼	‡Q330c	1.3	‡
120	62	F.S. Saaiplaas R1	66	+2	26c	0	5.4
465	320	Harmony 50c	325xd	+5	Q65c	♦	11.9
195	79	Loraine R1	82	+3	Q6c	0.5	4.3
£18½	£11½	Pres. Brand 50c	£11½	......	‡Q250c	1.3	‡
£13	800	Pres. Steyn 50c	880xd	+80	‡Q125c	2.2	‡
£23	£15¾	St. Helena R1	£15¾	......	‡Q250c	1.2	‡
174	104	Unisel	106	......	—	—	—
330	245	Welkom 50c	245xd	......	‡Q55c	1.7	‡
£25½	£16⅞	W. Holdings 50c	£17xd	+⅝	‡Q475c	1.2	‡

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	315	Ang. Am. Coal 50c	370	−10	MQ38c	2.8	6.1
[illegible]							

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ÷ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Thursday April 1 1976

South Africa to increase its defence spending by 40%

BY STEWART DALBY

CAPE TOWN, March 31.

A 40 per cent. increase in defence spending was announced to-day by Sen. Owen Horwood, South Africa's Finance Minister, in a record Budget which has been described as the toughest since the war.

Defence expenditure in the past two years has nearly doubled.

The increase in overall expenditure for 1976-77 is 10.5 per cent., but after allowing for inflation *in real terms, the Budget has* not increased.

Apart from the higher defence spending and smaller increases in four other areas, allocations for most other departments have not been raised.

Observers believe this will probably lead to higher unemployment, although the *Minister did not spell out by how* much and in what sectors, the rises might occur.

Total expenditure has gone up to R7.832bn. (£4.7bn.). Defence, at R1.35bn. (£880m.) accounts for 17.2 per cent. of the total.

The higher defence allocation had been expected in view of the recent war in Angola and *the tension and uncertainty in* Rhodesia and Mozambique.

Sen. Horwood said: "Political events in Southern Africa clearly demand that we increase our defence effort."

The necessary defence spending boost, together with the need for fighting inflation, were the dominant influences which must shape the Budget.

It might have been expected that with spare capacity in the economy an expansionist Budget *would have been in order, he* said. However, because of sterner pressures from without, both political and economic considerations demanded a different approach.

These pressures included a prolonged recession in the country's principal overseas markets, the decline in the gold market and what he described as the continuing contrived uncertainty in the gold market.

Deficit

The Minister estimated he would need to raise R2.356bn. Revenue is projected at R6.052bn., leaving a budget deficit of R1.280bn. before borrowing. Additionally, provision had to be made for redemption of internal and external loans of R376m. and R200m. respectively.

He intends to meet overall *deficit of* R2.356bn. in the following way:

● R720.9m. is to come from increased taxes, levies, customs excise and sales duties.

● R1.28bn. is to be raised in loans.

● A special defence bond will bring in R120m.

● The remaining R240m. will be obtained from the stabilisation *account.*

Among the increased taxes: cigarettes are to go up by two cents on a packet of 20; local and imported beers are to be increased by one cent a can; spirits are to rise by 0.9 cents a tot; fortified and sparkling wine is to increase by 2.4 cents a litre; petrol and petroleum products are to rise by 2.5 cents a litre.

There is also to be an increase of 10 per cent. in loan levies on companies, with a new surcharge of 5 per cent.

The new rates mean that a company (except gold and mining concerns which have been exempted), will in future be subject to a basic rate of 40 *per cent., plus a surcharge of* 3 per cent., plus a loan levy of 6 per cent. on taxable income.

Loan levies on personal income are increased by 10 per cent., plus a 5 per cent. surcharge. There is also a modest new tax on non-resident shareholders.

At present, no tax is payable if a shareholder who receives the *dividend is a non-South African* company doing business in the Republic. The Minister said he would spell out the tax in more detail when the Income Tax Bill was introduced at a later stage during the current session.

The estimated revenue for the *financial year 1976-77 from this* tax is put at R3m. There have been small increases in pensions and social benefits.

Of the loan total, about R175m. is expected to come from abroad.

One authoritative economic commentator described the Budget as tough and honest. One of the main effects will probably be on employment. There have been some increased allocations for national education (by which *is* meant white education), a boost for the railways, an increase for community development, and a rise for Bantu administration.

Exports

In real terms, however, it looks as if non-defence spending has not increased and may have decreased by as much as 5 per cent. in real terms.

Unless exports show an appreciable increase, South Africa is faced with a negative growth situation. One bank's economic unit estimated that an increase of 5 per cent. in real terms was necessary to avoid an increase in unemployment.

The minister gave no figure for black unemployment in the coming year. The unemployment rise *for whites, coloureds and Asians* is projected at 0.5 per cent.

Editorial comment, Page 20

MPs' pay 'among Europe's worst'

BY PETER HENNESSY

BRITISH backbench MPs are among the worst paid in Europe and the developed world, according to a report published to-day by Political and Economic Planning.

In terms of the quality of general services provided, British Parliamentarians are neither the best nor the worst-off. They enjoy conditions comparable to those experienced by members of the Canadian House of Commons and the French National *Assembly.* But they *trail far* behind the lavish facilities afforded to U.S. Congressmen or members of the German Bundestag.

The report, prepared by Dr. Janet Morgan, of Oxford University, indicates that the lot of British backbenchers has improved since the late 1960s. However, *they* are still "inadequately paid," their working accommodation is "scrappy" and "they still lack the means and the authority to confront with confidence and knowledge a powerful Civil Service and an impressively briefed front bench."

BACKBENCH SALARIES

U.S.	£18,023
Holland	£13,230
Australia	£11,256
(plus tax-free electorate allowance £2,307)	
France	£10,058
	(one-third tax free)
West Germany	£7,820
	(tax free)
Canada	£7,657
Italy	£7,550
U.K.	£5,750

Advisory staff

Any additional funds should be devoted to providing a permanent professional advisory staff for Commons select committee, particularly the expenditure committee and its sub-committees and the committee dealing with European legislation.

Ideally, each backbencher should be provided with a *research assistant,* each Parliamentary Party with a small research staff and the Commons library with an expanded research division, but shortage of funds made it unlikely that these goals could be met.

Reinforcing Parliament; PEP 12, Upper Belgrave Street, London, S.W.1.; £3.00.

Details, Page 12

THE LEX COLUMN

Strong trends in life assurance

The run-up in the life assurance sector over the last week *following* the *Prudential's* better than expected 1975 results went into reverse yesterday after both Legal and General and the Pearl reported more limited progress. But there is nothing in the figures to undermine a bullish view of the immediate prospects for the life business with increased transfers and dividends rising by the maximum allowed.

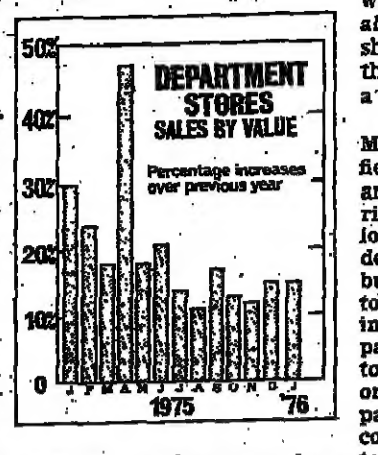
At Legal and General, where the net overall profit is £300,000 higher at £9.7m., general underwriting losses have doubled to £4.6m. (and are up from £4.9m. to £5.6m. after stripping out special adjustments. The problems have arisen in particular in Australia and South Africa, where the absence of an exceptional loss of £1.3m. will obviously assist recovery this year. In addition, it is slightly puzzling that the life transfer only rose by 6½ per cent., compared with an average increase of 15 per cent. over the last five years. This apparently reflects a continued switch within the pensions business from an insured basis into the managed fund (now over £300m.).

In contrast, Pearl has reduced *its general underwriting loss by* £550,000 though only from the horrific levels of 1974, when it *lost* £3.5m. on premium income of £21.8m., and there should be an improvement this year with *the run-off of business in* Canada and New Zealand and the sale of the Australian *interests. On the life side, the* growth of the transfer is maintained but the expense ratio *pressure on the major Indus*trial Branch is reflected in unchanged policyholders' bonuses *on this side. The contrast in the* longer term prospects of Pearl and L and G is shown in yields of 7.1 per cent. and 5.3 per cent. respectively.

House of Fraser

Weak throughout March, House of Fraser eased ½p to 87p yesterday despite an upsurge in profits for the final quarter of 1975-76. Acquisitions may have accounted for a third of the 15 per cent. final quarter growth—to £11.2m. pre-tax—but after declines in the second and third quarters the upturn is still impressive; and overall profits *emerge* £1.2m. *higher at* £20.8m., which is back to the level of 1973-74. January's "sales" were *extended for* an extra week, and year-end staff num-

Index fell 1.8 to 402.4



bers could be 15 per cent. down on January 1975. Last April's consumer boom probably ensures a poor sales start to the current year. But at 7 per cent. the shares yield is in line with Debenhams, and cover is 2.1 times.

S.A. Budget

The South African stock market has been braced for a tough budget and low growth rates in the current year, which is just what it has got. But a number of positive points may be made. A six-point increase in the effective rate of corporate tax is above many expectations, but the bulk of the increase takes the form of loan levies which are ultimately repayable, and there is no major threat to dividends which are around twice covered on average. The consumer is also being stung, but a modest increase in the real rate of spending is still being projected.

Most important of all, the deficit on current account is expected to fall substantially this year—which would leave room for a sharp fall in money market rates (90-day acceptances currently offer around 14⅞ per cent.) and thus on equity yields, which are now higher than they were immediately after the Sharpeville massacre.

Greenfield Milletts

When Greenfield Milletts bought two houses for £230,000 from its joint managing directors in February 1975 it *apparently* thought *it would* be sufficient to notify shareholders in the next annual report of the *directors,* which reached shareholders in the middle of last month. But the St Yellow Book clear *purchases of asset* tors as Class 4 tra which the Counci *ally require prior* shareholders. Or the company has a *circular.*

In the summ Messrs. David and field took up amounts of new rights issue, aid loans. In Januar decided to redu burden by selling to the company w ing to occupy th payment of annua totalling £4,500. A on the £100,000 partly finances th comes to £14,000 tax relief). Or holders can have the extra-ordinar note to the circu the directors co *family trusts will* respect of their 46 per cent. of th *no such stateme* made in respect other family and *ings amounting* of the remaining

Tarmac/Cubi

Drake and C price had jumped the month leading day's suspension a sale of its building gineering busines will certainly put a much more se The sales takes ou lion pounds of de in £5m. cash—wh a substantial addi holders' funds sin *the sale is represe* will. In addition, that a good part loss on its Twicke had been written years, so that al holders' funds w closed at just £4. quite happy with balance sheet. The ness has sales of market capitalisat

For its part T initated the deal, sents an importa *long term strateg* ranties to protect Twickenham job, *get a small retur* can also point to cessful purchases *construction busi* past.

Tarmac in £5m. deal with Cubitt

By Michael Cassell, Building Correspondent

TARMAC, the international civil engineering and roadstone *group, is to pay £5m. cash for* Holland, Hannen & Cubitts, the building and civil engineering arm of Drake and Cubitt Holdings.

A joint announcement was made yesterday, after suspension of Drake and Cubitt's *shares* pending clarification of the company's position.

The group's shares stood at 17p on suspension and the company said that it hoped for "an early requotation." Tarmac shares moved down 1p on the day to close at 181p.

Mr. Bill Francis, vice-*chairman of Tarmac, said* that the acquisition would result in a £500m. construction materials and services group, the biggest of its kind in Europe. It would strengthen Tarmac's construction arm at home and overseas.

Turnover of Holland, Hannen & Cubitts is £90m., a third of which comes from overseas activities.

Tarmac, which last year had a turnover of about £400m., with a quarter of that figure in overseas *markets,* said that it first approached Drake and Cubitt about three years ago, but talks were unsuccessful.

Mr. Francis said that Tarmac was not buying into an area in which it had no experience, as about £90m. of its U.K. turnover came from building and housing activities.

His company would be acquiring debts "in the small millions," but there would be a contribution to profits this year, although it would "not be a very great one."

With the disposal of its building and civil *engineering* operations, the principal remaining activity for Drake and Cubitt will be its mechanical and electrical contracting business. The group will be left with a turnover of £57m. a year, £24m. of which is in overseas markets.

News Analysis Page 8

British Leyland removed from Arab black list

BY MICHAEL TINGAY

ALEXANDRIA, March 31.

BRITISH LEYLAND has been officially taken off the black list of the Arab Boycott of Israel Office after a long period of confusion and delay.

The announcement was made here to-day by Mr. Mohammed Mahgoub, Commissioner-General of the office, at the end of the tenth day of its meeting in Alexandria.

[Leyland said in London that no official communication about the company's clearance had been received and so it was *unable to comment.*]

Mr. Mahgoub said: "British Leyland and all its subsidiary companies are no longer on the list of the Arab Boycott Office. The lifting of the ban affects in all 97 companies owned or partly owned by British Leyland."

Mr. Bayumi al Barky, Deputy Commissioner - General, said: "*This will affect sales of* a large number of models—we calculate 55 different makes of car under the British Leyland flag."

British Leyland had previously been told by the boycott office that it would be removed from the black list when a deal had been concluded for a joint venture in Egypt.

Last year the company was all *set to push ahead with a plant* to assemble 10,000 Land Rovers a year in Egypt, most probably at Alexandria.

Difficulties involved in setting up the deal while formally on the Arab black list and also in dealing with the ponderous Egyptian bureaucracy put the whole project into doubt.

In October, during the visit to London of President Sadat, the late Sir Ronald Edwards, then chairman of Leyland, suggested to the Egyptian President that the whole deal should be set aside for the time being and that *there should be a complete* re-examination of the role which Leyland could play in Egypt.

To-day's *decision* is considered by observers to be a significant victory for the Egyptian lobby within the boycott office. The surprise announcement by Mr. Mahgoub contrasted with a news black-out policy imposed last week by the boycott committee.

There was no news available about the warning issued to Volkswagen and Lonrho over the *manufacture in Israel under* licence of the rotary Wankel engine nor of that given to Barclays Bank last September about its involvement in Israel.

Barclays International has set up a joint venture in Egypt with the Banque du Caire, now operating as Cairo Barclays International.

Richard Johns writes: Leyland announced the liquidation of its investment in Autocars of Haifa *early in 1973 and hoped that in* doing so it would be enabled to trade with the Arab world.

The Israeli car assembly plant, in which it had a minority interest, had gone bankrupt in 1972 and the company agreed to pay about £1m. towards its debts as part of the settlement.

This disengagement from Israel was also seen as a means of getting off the Arab black list.

Continued from Page 1

Leyland

and Princesses at Cowley and MGs' at *Abingdon, could soon* join the list of casualties suffering from the lack of Llanelli body pressings.

Meanwhile talks are being arranged on a fourth dispute which has stopped Range Rover *and Land Rover production lines* at Rover, Solihull. Toolmakers at eight Rover plants in the Midlands and Cardiff are on strike in protest at management's interpretation of last year's agreement which, they claim, should have yielded up to £2 a week more in overtime and other premium payments.

At Drews Lane, *Birmingham,* last night 70 toolmakers walked out after being instructed to *work machines they had been* blacking for several months as part of a move for pay parity with staff demonstrators at the works who receive about £10 a week more than the £66.26 toolroom rate.

This fresh dispute poses yet another threat to Austin Morris production as the plant produces front and rear suspension units for the entire range.

Both the SU strikers and those *at Triumph are pressing* pay parity demands which the management, Department of Employment and their own AUEW leaders agree are in breach of the pay policy stipulation that there must be at least 12 months between pay deals.

Manual and craft unions clash on new pay policy

BY CHRISTIAN TYLER, LABOUR REPORTER

THE clash of views on pay policy between craft and general unions is highlighted to-day by *rival suggestions for a successor* to the £6 flat-rate pay policy.

Compression of wage *differentials between skilled and* unskilled workers under successive stages of pay restraint is a major cause of the strikes crippling British Leyland, but the problem extends across the whole motor and engineering industry.

Mr. Hugh Scanlon, president of the Amalgamated Union of *Engineering Workers, writes in* a management magazine to-day that if there were no alternative to pay restraint, his (mainly craft) union would probably argue for percentage-based increases only from this August.

But rank-and-file members of the General and Municipal Workers' Union make it clear in resolutions for their annual conference that they want the flat-rate principle extended because it favours the lower-paid.

Only recently, Mr. Harry Urwin, deputy general secretary of the Transport and General Workers' Union—which, like the GMWU, champions the flat-rate principle—said that more flexibility was needed next time *if differentials disputes* were to be avoided.

This may mean that Mr. Jack Jones, TGWU general secretary, and architect of the £6 policy, is softening his line on the flat-rate principle.

Mr. Scanlon says in Industrial Management magazine: "If pressed, I will say without equivocation that a flat-rate agreement along the lines we have now can't continue beyond the summer."

His union's policy-making committee, which meets in May, would probably conclude, like himself, if unemployment continued at its present level the price of further co-operation was too high.

The present wage policy, more than any other single factor, was helping to reduce inflation, but "seems to be succeeding at the expense of unemployment." But he goes on to record his own opposition to wage restraint.

Many of the pay resolutions on the AUEW national committee agenda—not yet published—complain about erosion of differentials, with even the usually moderate Coventry branch saying wages policy should be abandoned *unless this problem* is to be dealt with next time round.

Other articles in the Industrial Management by Sir Geoffrey Howe, Shadow Chancellor, and Sir Campbell Adamson, director-*general of the CBI, argue for* differentials — white-collar and skilled manual—to be widened.

GMWU call, Page 13

Leadership poll averts revolt

BY PHILIP RAWSTORNE

LABOUR'S leadership election has helped to avert a threatened revolt by 80 mainly Left-wing MPs against the Government's defence spending plans at the end of the two-day Commons debate to-night.

In spite of their hostility to the proposals, most of the MPs, who are supporters of Mr. Foot, decided that any embarrassment they caused the Government *could damage* the Employment Secretary's already remote chances of success in the leader*ship contest.*

The back-bench critics, led by Mr. Frank Allaun, yesterday *put their names to a demand* for reductions in the arms bill, regretting that the resources were not to be channelled into industry and the social services.

After the Speaker, Mr. George Thomas, had told them there was "not one chance in a million" of a separate vote on their amendment to the Government motion, the MPs indicated that they would not endanger the Government's majority.

Mr. James Callaghan, Foreign Secretary, confident of his succession to No. 10 Downing St., cast his vote in the election yesterday, before leaving with Mr. Harold Wilson this morning for the EEC summit in Luxembourg.

Their two-day absence, together with the enforced wait *for the final ballot on Monday,* brought a lull in the usual tempo of Whitehall activity.

The weekly Cabinet meeting will not be held to-day, and the work of various Cabinet committees also appeared to have been temporarily suspended.

And compared with the frantic canvassing of the past two weeks, there was little evidence at the Commons that the leadership contest was still being hotly disputed.

Mr. Denis Healey's canvassers said after his elimination that there was little doubt that the bulk of his 38 votes would be switched to Mr. Callaghan.

Officials of the Centre-Right *Manifesto Group,* just as a precaution, to-night may advise members to vote for the Foreign *Secretary. Twelve of those who* voted for Mr. Healey in the last round are members of the group.

An editorial *yesterday* in the journal Socialist Commentary gave a warning against any encouragement for the political views of the Left, and said: "To create an image of the party that a majority of voters will reject would be an act of perversity."

Parliament Page 12:
Mr. Callaghan and Mr. Foot
Page 20

Weather

U.K. TO-DAY

BRIGHTER, some showers.

London, S.E., S.W. England
Cloudy with rainy spells, becoming brighter. *Rather cold.* Max. 10C (50F).

E. Anglia, Midlands, E. England, S. Wales
Sunny intervals, some showers. Rather cold. Max. 10C (50F).

Channel Islands
Cloudy with rain. Becoming clearer, mainly dry later. Rather Cold. Max. 10C (50F).

N.W., Cen. N. England, N. Wales, Lake District, Isle of Man, S.W. Scotland, N. Ireland
Sunny intervals and showers, snow on hills. Rather cold. Max. 6C-8C. (43F-46F).

N.E. England, Borders, Edinburgh, Dundee
Sunny spells, occasional showers, snow on hills. Rather cold. Max. 8C (46F).

Rest of Scotland
Wintry showers, some bright intervals. Cold. Max. 3C-5C (37F-41F).

Outlook: Mostly dry in S. with bright intervals; wintry showers *in* N.

Lighting-up: London 20.03; Manchester 20.13; Glasgow 20.25; Belfast 20.30.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	S	[illegible]	75	Luxembg.	F	10	50
Amsterdm.	C	9	46	Madrid	S	23	73
Athens	S	16	61	Manchstr.	C	12	54
Barcelona	S	17	63	Melbourne	C	23	73
Beirut	S	21	70	Milan	S	19	66
Belfast	F	9	48	Moscow	S	5	41
Belgrade	S	16	61	Munich	F	14	57
Berlin	C	12	54	Newcastle*	C	13	55
Birmnghm.	C	12	54	New York	S	12	54
Bristol	C	11	52	Oslo	F	6	43
Brussels	C	10	50	Paris	S	14	57
Budapest	S	14	57	Perth	C	24	75
B. Aires	R	17	63	Prague	F	14	57
Cairo	S	26	79	Reykjavik	C	−3	27
Cardiff	C	10	50	Rio de J'o	S	28	82
Cologne	F	14	57	Rome	S	17	63
Copnhgn.	R	4	39	Singapore	C	31	88
Dublin	R	13	55	Stockholm	S	7	45
Edinburgh	C	8	46	Strasbourg	S	14	57
Frankfurt	F	14	57	Sydney	C	20	68
Geneva	S	13	55	Tehran	S	13	55
Glasgow	F	9	48	Tel Aviv	S	20	68
Helsinki	F	5	41	Tokyo	C	13	55
Hong Kong	C	19	66	Toronto	C	7	45
Jo'burg	C	26	79	Vienna	S	14	57
Lisbon	S	23	73	Warsaw	R	3	37
London	C	11	52	Zurich	S	13	55

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	16	61	Jersey	C	10	50
Algiers	S	20	68	Locarno	S	19	66
Biarritz	S	13	55	Majorca	S	19	66
Blackpool	C	10	50	Malaga	S	19	66
Bordeaux	S	14	57	Malta	S	15	59
Casablnca.	S	21	70	Nairobi	S	25	77
Cape Town	R	24	75	Naples	S	16	61
Corfu	S	18	64	Nice	S	15	59
Dubrovnik	S	16	61	Nicosia	S	21	70
Faro	S	21	70	Oporto	S	18	64
Funchal	F	20	68	Rhodes	S	17	63
Gibraltar	S	17	63	Salzburg	S	15	59
Guernsey	C	10	50	Tangier	S	21	70
Innsbruck	S	17	63	Tenerife	F	15	59
Inverness	R	6	43	Tunis	C	14	57
Isle of Man	R	10	50	Valencia	S	20	68
Istanbul	F	11	52	Venice	S	19	66

F—Fair. S—Sunny. R—Rain. C—Cloudy

Long-range forecast Page 9

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